

in the Marine Corps, subject to the qualifications therefor as provided by law:

Michael B. Peterson

#### IN THE ARMY

The nominations of distinguished military students, midshipmen (Naval Academy), U.S. Military Academy graduates, and U.S. Air Force Academy graduates, beginning Leroy D. Fahle to be second lieutenant, and ending Joe H. R. Wilson to be second lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 6, 1963.

#### IN THE AIR FORCE

The nominations of Distinguished Officers Training School graduates, cadets, U.S. Air Force Academy, distinguished military students, Air Force Reserve Officers Training

Corps, and midshipmen (Naval Academy), beginning Bruce Ackert to be second lieutenant, and ending Roy Lee Welch to be second lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 14, 1963.

#### IN THE MARINE CORPS

The nominations of Naval Reserve Officers Training Corps, Army Reserve Officers Training Corps, U.S. Military Academy, U.S. Naval Academy, and Air Force Academy graduates beginning David G. Amey to be second lieutenant and ending Joseph G. Tkac, Jr., to be second lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on April 22, 1963; and

The nomination of James R. Harper to be second lieutenant, which nomination was

received by the Senate and appeared in the CONGRESSIONAL RECORD on May 13, 1963.

#### IN THE NAVY

The nominations of midshipmen (Naval Academy), Air Force Academy graduates, and Naval Reserve Officers Training Corps beginning Donald L. Abbey to be ensign, and ending Dennis W. H. Wong to be ensign, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on April 22, 1963; and

The nominations of midshipmen (Naval Academy), and Naval Reserve Officers Training Corps candidates beginning Bruce W. Gunkle to be ensign, and ending Philip M. Young to be ensign, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 13, 1963.

## EXTENSIONS OF REMARKS

### The Herbert J. Pascoe Educational Scholarship Foundation

#### EXTENSION OF REMARKS

OF

**HON. PETER W. RODINO, JR.**

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1963

Mr. RODINO. Mr. Speaker, one of the most important assists to the youth of America in its achievement of higher education is the foundation. And, one of the most important and outstandingly successful foundations in the State of New Jersey is the Herbert J. Pascoe Educational Scholarship Foundation. Last Sunday, this foundation celebrated its 10th anniversary, and it was my pleasure to extend the following greeting to the members attending the anniversary dinner at the Military Park Hotel in Newark:

The American foundation is a unique institution which opens doors of opportunity and enriches human existence everywhere. Philanthropy in the field of education is perhaps one of the most rewarding of foundation activities. At the time when education has been termed "our most important national resource," when the extension of educational opportunity is essential to our national goals and to our very survival, private efforts on behalf of education are vitally important to our American way of life.

Thus, it is particularly gratifying to pay tribute to the 10 years of development and success of the Herbert J. Pascoe Educational Scholarship Foundation, which has created wider educational opportunity for deserving young people throughout the State of New Jersey. With your scholarship awards in the field of education which encourage and assist qualified students to enter the noble profession of teaching, you strengthen the school system itself. Your endeavors richly honor the memory of Herbert J. Pascoe, a dedicated public servant who also served the cause of better education.

This decade since your founding has seen a new awareness of the value of education and a growing need for assistance to our schools and young people if we are to maintain our position of leadership in the free world. I am sure you are all familiar with statistics describing the spiraling costs of higher education, the serious shortage of facilities, and the inadequacies of our schools. Vigorous and unceasing efforts at all levels

are necessary if we are to complete the tasks confronting us in the future. The interest and support offered by this foundation for both higher education and excellence in teaching will continue to grow even more valuable in this crucial decade ahead.

With a very special pride in my membership in the Herbert J. Pascoe Educational Scholarship Foundation, I send my sincere congratulations for 10 years of fruitful and dedicated activity and good wishes for your continued success.

### Remarks by Vice President at Luncheon Honoring Astronaut Cooper

#### EXTENSION OF REMARKS

OF

**HON. JAMES G. FULTON**

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1963

Mr. FULTON of Pennsylvania. Mr. Speaker, I include the following in the Record under permission granted:

REMARKS BY VICE PRESIDENT LYNDON B. JOHNSON, LUNCHEON HONORING ASTRONAUT GORDON COOPER, BEN FRANKLIN ROOM, STATE DEPARTMENT, WASHINGTON, D.C., TUESDAY, MAY 21, 1963

In 1942, President Roosevelt called together our wartime leaders for the final decision on continuing or abandoning the Manhattan project which produced the atomic bomb. One of the most eminent leaders present heard presentation from all sides. Then, he solemnly gave President Roosevelt his verdict: "The bomb will never go off—I speak, of course, Mr. President, as an expert on explosives."

In that first, uncertain spring of the space age 5 years ago, some conscientious experts took the same attitude toward Project Mercury. History has proved them grossly wrong.

Today, same kind of doubts are expressed about further space explorations. History will prove those doubts wrong, also.

Project Mercury has established the capacity of free and open societies to come from behind—and forge ahead. We realize competition is intense. We expect further successes by the totalitarians. We expect continuing successes ourselves.

Americans do not intend that space shall be defaulted. Americans do not intend to live in a world which goes to bed at night by the light of a Communist moon.

Success has been achieved by teamwork—the teamwork of astronauts, scientists, engineers, plus teamwork of our political system. Responsible support of Members of Congress has been indispensable. The support will continue from responsible members of both parties. There will be no American default in space.

Hitler once predicted the Nazis would wring England's neck like a chicken. After the Battle of Britain, Winston Churchill said to Commons, "Some chicken. Some neck." We have heard some say recently that the civilian space program is only "leaf-raking." Considering Major Cooper—considering the vast technological cooperation which made his mission a success—I would say today, "Some leaf. Some rake."

**Mr. Larry E. Doyle**

#### EXTENSION OF REMARKS

OF

**HON. H. ALLEN SMITH**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1963

Mr. SMITH of California. Mr. Speaker, last evening in Philadelphia my good friend and constituent, L. E. Doyle, was installed as president of Sales and Marketing Executives—International. This is a distinct honor and one in which I share his pride. In inserting these remarks in the Record I attempt to show Larry Doyle just how proud I am of his achievement in this regard and offer my sincere congratulations.

Sales and Marketing Executives—International is a nonprofit organization with more than 30,000 business executive members, organized in 230 clubs in 36 countries of the free world. Larry Doyle is vice president of the sales division of Forest Lawn Memorial Parks, Glendale, Calif., and has been associated with Sales and Marketing Executives—International for the past 23 years. He is recognized as one of the top sales executives throughout the cemetery and mortuary industry. He has also been a leader in his own community and for this reason the honor of the presidency of this fine organization is doubly meaningful.

I reiterate my pride in men like Larry Doyle who contribute to the outstanding quality and character of my 20th Congressional District in California.

## Hydroelectric Power in the Nuclear Age

EXTENSION OF REMARKS  
OF

HON. THOMAS J. MCINTYRE

OF NEW HAMPSHIRE

IN THE SENATE OF THE UNITED STATES

Thursday, May 23, 1963

Mr. MCINTYRE. Mr. President, for too long the New England States have been at a competitive disadvantage for want of a modern system for the generation and transmission of electric power. My colleague, the junior Senator from Maine [EDMUND S. MUSKIE], in a recent address before the American Public Power Association, has pointed to changes in technology that will improve this situation in the near future. The use of more efficient high voltage transmission lines will enable the States of northern New England to seek low cost power sources which will benefit the region in industrial expansion and residential consumption of power. With foresight and imagination Senator MUSKIE has pointed the way for all the New England States in the development of this most critical resource. I am pleased to call your attention to his remarks on the revolution in electrical technology and ask unanimous consent that Senator MUSKIE's speech be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

### HYDROELECTRIC POWER IN THE NUCLEAR AGE

No discussion of our energy needs is meaningful, unless it is undertaken in the context of our position as a world power. The strength of nations, today, depends on their industrial capacity and resources. The conduct of our diplomacy and the adequacy of our defense structure are vital to our future, but each depends, for its effectiveness, on the industrial and economic strength of the Nation. That strength, in turn, is rooted in our developed energy resources.

If we are to maintain our position as the leader of the free world; if we are to make significant advances in our productive capacity and in the employment of our human and natural resources; we must make bold strides in the expansion of our electrical energy output. This is a matter of national importance and concern.

Two facets of this problem interest me, today: nuclear power and hydroelectric power. Some view them as competitors; I see them as complementary systems.

What will be the role of nuclear powerplants in the next 40 years?

Recently, the Atomic Energy Commission reported to President Kennedy its estimate that, by the end of the century, nuclear power will be assuming the total increase in national electric energy requirements and will be providing half the electric energy generated.

Such long-range predictions can only be tested by time. Opinions concerning the advent of economic atomic power have run the gamut from dazzling predictions to dark pessimism.

Today, there are no nuclear plants on the line which are competitive with comparable conventional generating facilities. We are still in the position of judging nuclear power on its promise not its performance. But the promise is very great, and must be taken into account in power planning.

Nuclear energy is unique in its widespread availability, and radically different in character from sources of energy that man has used in the past. Usable world reserves of nuclear fuels are estimated to represent an energy potential 15 to 20 times as great as deposits of coal, oil, and gas; with controlled fusion of hydrogen, the earth would have at hand an unlimited supply of energy. Nuclear fuels are highly concentrated forms of energy, capable of providing enormous amounts of potential power from relatively small physical quantities. But nuclear energy presents hazards to health and safety not associated with conventional fuels; radiation released with power reactors is a far more serious type of contamination than the usual industrial pollution because it can destroy living cells and mark future generations through harmful mutations.

In view of these and other special attributes, including its role in weapons production, nuclear energy has been properly vested with a public interest. The Federal Government has expended approximately \$25 billion in the development of nuclear energy for war and peace, and continues to closely supervise its application for both purposes.

Even if the Atomic Energy Commission's predictions for the turn of the century prove correct, it is likely that, for at least several decades, steam power plants using heat from coal, oil, or gas will remain the principal source of electricity in this country. Today such steamplants represent about 80 percent of our power supply; this percentage will likely increase as feasible hydro sites diminish and demand for electricity rises.

Despite these qualifications, the potential of nuclear power is of particular interest to those of us who live in New England. Electric bills in our part of the Nation are among the highest in the country, although our use of electricity has not kept pace with other regions. In 1961, the average residential customer in New England used 3,113 kilowatt hours—23 percent below the national average—and paid approximately 3.47 cents per kilowatt hour—which is more than 15 percent above the national average.

We have no coal mines, oil wells, or gasfields to supply a source of low-cost fuel. Average fuel cost of New England steam plants in 1961 was 36.9 cents per million B.t.u. compared with a national average of 26.7 cents.

Federal Power Commission Chairman Swidler pinpointed one of the basic reasons for our area's poor showing electrically when he told the Electric Council of New England: "New England in the past has built and still relies on too many small and inefficient generating units and on too few of the large, low-cost units. The evidence suggests that New England's electrical progress is restrained by the chain of high costs, which in turn leads to high rates, which delays growth of energy use and thus tends to keep costs high."

Mr. Swidler advanced several suggestions for solving this dilemma, including increased integration of facilities and operations, more efficient use of fuel, and greater use of power through power use promotion. I would like to discuss a fourth proposal he made for a review of the economic feasibility of many of the area's undeveloped hydropower sources, for additional blocks of capacity on the basis of power pooling for the region as a whole and in cooperation with neighboring regions.

The Northeast has millions of kilowatts of undeveloped hydroelectric capacity. In

New England alone, FPC studies show a potential of 2.8 million kilowatts. This is an extremely conservative figure. It does not include, for example, the potential 1 million kilowatts of peaking capacity at the Passamaquoddy Tidal project.

Hydropower can—and should—be developed now. Unlike atomic energy, the technology is already perfected and feasible sites have been surveyed. The major cost of a hydro project is in building the dam to form the reservoir. This expense is subject to escalation as price levels rise; thus, the sooner these projects are constructed, the lower the anticipated price tag.

Today, the States of Maine, New Hampshire, and Vermont are supplied in about equal amounts of hydro and thermal generation. The predicted power supply pattern of the future calls for large generating stations integrated through extra high voltage transmission grids.

Some say that giant, low-cost steam-power—especially in nuclear energy plants—has doomed the future of hydroelectric generation. Nothing could be further from the truth.

The expanded use of nuclear energy and modern high capacity fossil fuel plants accentuate the opportunities for hydroelectric power. It is growing more and more important as a source of peaking power. The inherent characteristics of a hydropower plant permit wide variations of load in extremely short intervals of time. This is ideal for peaking purposes. On the other hand, high capacity thermal powerplants using energy from either fossil fuels or from nuclear sources do not possess this flexibility. The heat balance required under the high pressures and high temperatures encountered in the large thermal units does not permit wide variations in output within short intervals of time. The high investment and operating costs of these units require practically continuous operations at full-rated output with only minor shut-downs for maintenance purposes to obtain economical outputs.

The outlook of the power industry is, I think, well exemplified in the present plans by the Consolidated Edison Co. of New York. This system has in the active planning or early construction stages three generating plants with an output of 1 million kilowatts each. One of these plants will be hydroelectric, operated on a pumped storage basis to provide peaking requirements. Of the remaining two plants, one will utilize conventional fossil fuels, and the other will be supplied by nuclear energy.

Several large generating units are under construction for operation in the utility systems of southern New England. The largest plant is rated at 340 megawatts and will be installed at the L Street station of the Boston Edison Co. Unit operation is scheduled for July 1965.

Two hundred and twenty-five megawatt power plants will be installed at the Brayton Point plant of the New England Power Co. The first 225 megawatt power unit is scheduled for operation in July 1963, and the second is scheduled for operation in July 1964.

The Hartford Electric Co. also has a large unit scheduled for initial operation in 1964. This is the Middletown Unit No. 3 and will have a capacity of 220 megawatts. Initial operation is scheduled for October 1964.

One method of meeting peaking needs for such plants involves pumped storage. In a recent issue of the Electrical World, the Central Hudson Gas & Electric Corp. announced plans for development of a 600,000 kilowatt pumped storage hydroelectric project. The site is at Breakneck Mountain overlooking the Hudson River south of Beacon, N.Y., and is directly across the river from the 1 million kilowatt pumped storage proj-



ect of the Consolidated Edison Co. of New York.

The Taum Sauk project by the Union Electric Co., of St. Louis, Mo., is another prime example of what is happening in the hydro field. In this project, the top of a mountain was literally blown off to provide a manmade reservoir so that a pumped storage hydroelectric power project for peaking functions could be constructed.

In my own State of Maine, we have the potential of a unique hydroelectric power development. This could benefit Maine, New England, and the Maritime Provinces of Canada. In this case, the waterfall or head is not provided by the natural terrain of the country and the streamflow from rainfall but by the lunar forces responsible for the tides.

This unique hydroelectric power development has certain problems, to be sure, but it can also boast of features that are not present in a riverflow hydroelectric power development.

The tides are produced by gravitational forces between the Earth and the Moon and the configuration of the land area. In view of the absolute determinability of the relative position of the Earth, the Sun, and the Moon, it is possible to accurately calculate and to predict the amplitude of a tide at any time in the future. With the exception of a few tidal storms, there are no physical factors which can destroy these predictions. Thus, instead of having a source of hydroelectric power depending upon the vagaries of rainfall and terrain, we have a source of power which can be absolutely predicted.

In many of the earliest studies of Passamaquoddy, attempts were made to match the tidal cycle to the solar day with relatively little success. In the most recent concept developed in the IJC report, Passamaquoddy was proposed as a source of dependable hydroelectric energy.

In contrast, the studies by the Department of the Interior indicate a great need in the future for peaking capacity. The two-pool concept developed in the IJC report provides an excellent opportunity for developing peaking power of the characteristics which have been historically experienced in the marketing area considered by the Department of the Interior. This embraced the New England States, eastern New York, and the maritime Provinces of Canada, particularly New Brunswick and Nova Scotia.

Computer studies are being made as part of the overall Passamaquoddy review to determine the optimum peaking capacity that could be developed at the Passamaquoddy Tidal Powerplant. We understand these studies are progressing satisfactorily and they will show the number of hours' peaking capacity of various magnitudes could be provided by the Passamaquoddy development, both on the basis of isolated operation and on the basis of interconnected integrated operation with power generated on the St. John River. We understand the studies are being made for various capacities from 500 megawatts to 1 million kilowatts.

Studies already made by various people indicate that the development of the Upper St. John River is entirely economical and makes good financial sense. If it can be demonstrated that Passamaquoddy can stand on its own feet, certainly the coordination of power capacity of the Passamaquoddy with the Upper St. John River will be an even better development. On this basis, the dependable capacity of Passamaquoddy could be calculated on the basis of the potential output from the average tide of 18 feet, rather than from the lowest tide of about 13 feet.

I, and I am sure many of you, are anxiously awaiting the results of the studies in progress by the Department of Interior. We have every assurance that the report to the President will be completed by July 1,

1963. Should this report demonstrate the feasibility of Passamaquoddy operating on its own, I will recommend that serious consideration be given to this potential resource.

As we consider these and other potential sources of hydroelectric energy, we must not let the glamour of the nuclear age obscure the new look in hydroelectric power. Hydro is the partner of modern steam generation, not its enemy. By applying imagination, hard work, and determination to the potential of hydroelectric peaking plants, large-scale steam plants, and efficient high-voltage systems, we can open a new day in the sound development of our economic, natural, and human resources. We will also demonstrate to the world the power for growth in a free society.

**Citation for Mr. Edgar M. Bowers, Jr.,  
District Manager for Social Security  
Administration, at Lafayette, La.**

**EXTENSION OF REMARKS  
OF**

**HON. EDWIN E. WILLIS**

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1963

Mr. WILLIS. Mr. Speaker, helpful and understanding relations between Members of Congress and the Federal agencies with which we transact business are necessary to the welfare of our constituents and to the successful operation of Government.

In this connection I have in mind particularly those agencies which we have occasion to call upon most frequently, such as the Social Security Administration. My contacts in that direction have been pleasant and valuable and I am happy to join in congratulations to Mr. Edgar M. Bowers, Jr., who, on Tuesday, May 21, received the Commissioner's citation for outstanding service as district manager at Lafayette, La., during ceremonies at the Social Security Building at Baltimore. Mr. Bowers was among 75 employees of the Social Security Administration selected from among those throughout the Nation upon whom citations were conferred by Commissioner Robert M. Ball. Former Commissioner Arthur Altmeyer was the speaker during this program.

Mr. Bowers has been with the Social Security Administration since October 1947, when he became a field assistant with the Galveston, Tex., office. Later he was employed at various Texas points, including Corpus Christi, Waco, Sherman, and Austin, also at San Angelo where he was District Manager and at Victoria where he opened a District Office. Since October 1958, he has been District Manager at Lafayette for an area comprising St. Martin, Iberia, Lafayette, and Vermilion Parishes—counties—in the Third Congressional District of Louisiana, which I have the privilege of representing, and St. Landry, Acadia, and Evangeline Parishes in the Seventh District represented by Congressman T. A. THOMPSON.

Mr. Bowers and his efficient office have helped with the problems of many of the people of the two districts mentioned

above, while the Parishes of Assumption, Lafourche, St. Mary, and Terrebonne, in the Third District, and the community of Grand Isle, in Jefferson Parish, in the Second District represented by Congressman HALE BOGGS, are also ably served by District Manager J. H. Simpson and his office at Houma, in the Third District. The Lafayette District Office, established in 1950, and the Houma District Office, opened later, are in the Social Security Administration's region 7, composed of Louisiana, Texas, New Mexico, Arkansas, and Oklahoma.

**Wheat-Potato Program**

**EXTENSION OF REMARKS  
OF**

**HON. HERBERT C. BONNER**

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1963

Mr. BONNER. Mr. Speaker, on Tuesday of this week the wheat farmers throughout the Nation voted in a referendum to determine the type of program they desired to be in operation in 1964. The alternatives were clearly presented and debated throughout the Nation.

Coming from a State where agriculture is still our major industry, and from a district where agriculture is not only a way of life, but is life itself, I was very much interested in the decision farmers would reach on Tuesday.

I must say that I was surprised at the decision and do not understand the reasons back of the decision reached. In my district we grow practically all agricultural commodities. Flue-cured tobacco, of course, is the principal commodity, but we also produce substantial quantities of peanuts, cotton, feed grains, potatoes, fresh vegetables, livestock, and practically anything that can be named in the agriculture field. The wheat producers made a choice on Tuesday to accept an alternative program which provides unlimited production at market prices, or for those who desire to plant within their acreage allotment, a guaranteed price support of 50 percent of parity. It is ironical to me that the wheat producers would reject marketing quotas with guaranteed higher prices. I say this is ironical because producers of Irish potatoes are at the present time and have been for more than a year trying to secure legislation which would authorize acreage allotments without guaranteed price supports. The producers of potatoes are entitled to this legislation. They have learned that they cannot exist with unlimited production much in excess of market demands.

Since wheat producers have made their choice, I sincerely hope that it is a wise one and that no action will be taken by this body to adopt a different program from that which they have elected to accept. I also urge this body to hasten consideration of potato legislation which has been urgently requested by potato producers.

Address by the Vice President of the  
United States, Jefferson-Jackson Day  
Dinner, Oklahoma City, May 20, 1963

EXTENSION OF REMARKS

OF

HON. CARL ALBERT

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1963

Mr. ALBERT. Mr. Speaker, it was my pleasure to preside at a great Democratic fund raising banquet in Oklahoma City on the night of May 20. Citizens of Oklahoma were honored on that occasion by the presence of the eminent and distinguished Vice President of the United States, the Honorable LYNDON B. JOHNSON. We were also privileged to hear the Vice President deliver one of the most outstanding speeches I have ever heard.

The distinguished senior Senator from Oklahoma, MIKE MONRONEY, presented the Vice President. His remarks on the occasion were a fitting tribute to our honored guest.

Under leave to extend my remarks, I include both Senator MONRONEY's introductory address and the address of Vice President JOHNSON.

TEXT OF SENATOR A. S. MIKE MONRONEY, JEFFERSON-JACKSON DAY DINNER, OKLAHOMA CITY, OKLA., MAY 20, 1963

I am very grateful for this opportunity and privilege of introducing our principal speaker of the evening. This is one of the few genuine rewards of seniority that I have discovered.

This will go down in history as one of the greatest Jefferson-Jackson dinners ever held in Oklahoma. It has been made possible through the hard work of Speaker J. D. McCarty and President Pro Tempore Roy Boecher. They have had the loyal and diligent assistance of their colleagues, including State Senator Don Baldwin and State Representative Bill Skeith, and of the county chairmen and cochairmen and other county, district, and State party officials. All of the hard-working Democrats who helped make this event what it is deserve our gratitude and appreciation.

I and the other members of the congressional delegation were very grateful when our distinguished guest accepted our invitation to come here and make this address. But at the time he accepted, quite frankly, our gratitude was tempered with a certain amount of worry and anxiety.

Every Democrat in this audience, Mr. Vice President, will understand the reason for our worry and concern. Democrats—whether they be Oklahoma Democrats, Texas Democrats, Massachusetts Democrats, or Democrats of any kind—go about their business of party organizing and party functioning in strange and wonderful ways. Sometimes they are worrisome ways born of primary stresses. Sometimes of disappointments in general elections. Sometimes in stresses generated by issues or by rival candidates.

A strong political party is not born in sweetness and light and it does not survive that way. It survives in the heat of battle. It survives in the struggle within itself to find its true mission and its means of obtaining same. It survives and grows in its travail.

The Democratic Party in Oklahoma is now in a terrific struggle with its Republican foe, and financing has always been one of the major problems of our party. Let's face it. Our financial needs promoted this Jefferson-

Jackson dinner campaign. As Democrats we are not ashamed to admit this. Democrats always have had more trouble raising money than Republicans because Democrats as a party represent all the people—not a privileged few.

In fact, money is so hard to come by for Democrats that we are compelled to put aside our differences over issues and candidates and get down to work for our survival as a party. And, as a matter of fact, in adversity we have seen Democrats set aside their differences and close ranks as real Democrats. Mr. Vice President, these are the Democrats you see here tonight. Our efforts in what we feel will be a successful fund raising campaign have furnished a unity of purpose and a new sense of determination. The loss of one battle does not mean we have lost a war.

Mr. Vice President, we were grateful for your accepting our invitation. Your confidence in us made us work harder.

This has become a victory banquet. All across the State, in precincts and counties, Oklahoma Democrats have worked hard to make this event a success. The response at the local level by individual Democrats contacting their neighbors and friends has been terrific. Your coming here has lit the lamp of victory, a lamp that will lead us to success in 1964 for the entire Democratic ticket.

Introductions are easy when you have such a guest as we have here tonight. The principal task is one of editing, condensing in order to give even a brief summary of hundreds of important items in the speaker's distinguished record.

We are also tremendously honored that Lady Bird Johnson has accompanied her husband to Oklahoma for this occasion. Few people yet realize the tremendous contribution that is being made in important areas of national and international life by the Vice President's partner—his charming wife Lady Bird. Her gracious and intelligent activity and leadership in dozens of important areas of American life, in causes where women can best serve, is setting a new high for this administration. She is carrying on in the great tradition of the late first lady of the world, Mrs. Eleanor Roosevelt. Her love for human beings and respect for human dignity are a part of Lady Bird Johnson, just as these qualities were a part of Mrs. Roosevelt.

One cannot begin to describe our Vice President without referring to two of his closest friends and colleagues who are no longer with us. I refer, of course, to the late Speaker of the House, Sam Rayburn, and the late senior Senator from Oklahoma, Robert S. Kerr. One of Bob Kerr's favorite stories, which he told time and again to audiences around Oklahoma, recalled the occasion when Senator EVERETT DIRKSEN, the Republican leader in the Senate, learned that LYNDON JOHNSON, who was then the majority leader, had had a mobile telephone installed in his automobile. Bob Kerr would recite the procedures through which the leaders of the Senate exercised such prerogatives and how after a telephone call or two to the right functionary, Senator DIRKSEN obtained a telephone for his limousine.

A few days later, driving through the heavy Washington traffic en route to the Capitol, Senator DIRKSEN saw the majority leader's limousine at a distance and decided to try out his new telephone.

"This is Senator DIRKSEN. Please give me the majority leader's automobile," the story went.

After a few seconds, according to the way Bob Kerr told it, a pretty feminine voice came on the line to Senator DIRKSEN and said, "This is the majority leader's automobile. May I help you please?"

"This is Senator DIRKSEN. I am calling from my automobile. Let me speak to the majority leader please."

From the automobile in the traffic a short distance ahead Senator DIRKSEN heard this report from the secretary, "I am sorry Senator. Could you hold the telephone? The majority leader is talking on another line."

Bob Kerr used that story to illustrate LYNDON JOHNSON's industrious and go-getting personality. L. B. J.'s drive to get things done is his trademark.

Long before we had such great astronauts as Leroy Gordon Cooper, LYNDON JOHNSON gave some clear indication of these magical things to come. Certainly years before we put a man in a Mercury capsule, LYNDON was in orbit in the House and Senate chambers. Some indications of the speed and accuracy of a Mercury flight came from the legislative performance of LYNDON JOHNSON as a leader under Speaker Sam Rayburn in the House of Representatives and as his own leader of the U.S. Senate.

With all the dexterity and coolness of a present-day Major Cooper, LYNDON proved again and again that he had the ability to give "manual" control to the mercurial Senate and to effect a safe re-entry accurately and without too much heat in the splash-down target area.

It is certainly no exaggeration to couple Rayburn and JOHNSON, two Texans, as the two greatest legislative leaders of the two Houses. As first a protégé of Sam Rayburn and later as an equal partner in the House and Senate leadership team, the pair set a new high note in responsible leadership of the two Houses of Congress.

It was during these 6 years that the youthful rapid-fire leadership, the new JOHNSON techniques of Senate organization, and the spectacular knowledge and energy of the leader set new records and new goals.

Old timers of the press—and in the Senate Chamber—who had watched the Senate procedures for scores of years, found it difficult to understand what had happened to the Senate's pace and to understand the Senate's willingness to follow—eagerly—the program and timetable of the young, aggressive leader.

Even the press was amazed when, despite all indications to the contrary, LYNDON announced he would pass civil rights legislation even if it meant breaking the filibusters of his friends of the deep South. He not only announced that he would pass it—he did pass it. This was the first breakthrough in nearly 75 years.

What a temptation it is to go on and on with the record of achievements in the Senate—and of the renovation which occurred in that body during the JOHNSON leadership.

LYNDON JOHNSON has been unpredictable in many of his big decisions. His upsetting all the political pundits to accept the Democratic nomination for the Vice Presidency was one of the biggest. Few could envision that his desire for activity and leadership would end in the quiet regime of the Vice Presidency. They didn't know LYNDON.

LYNDON JOHNSON knew that his strength was great where the presidential nominee had his most severe weakness. Thus it was that Southern and border State votes, where LYNDON's influence was greatest, brought the needed margin for the Democratic victory in 1960. I have always felt that LYNDON JOHNSON was willing to make the sacrifice of the job he loved, majority leader of the Senate, if it would help elect a Democratic administration.

L. B. J.'s proven ability and influence soon led President Kennedy to assign many new important duties to his new administrative partner. In the same way LYNDON JOHNSON revolutionized the leadership role in the Senate, he has changed the Vice President's role from one of respectable obscurity to one of dynamic action.

In the President and Vice President we have a pair of champions who put their duty to the Nation far ahead of party loyalty or



self-aggrandizement. As majority leader of the Senate LYNDON JOHNSON has written: "I am a free man, an American, a U.S. Senator, and a Democrat—in that order."

LYNDON JOHNSON, along with Sam Rayburn, proved that the best politics was the dedication to national responsibility and not any short-term gain by sharp or destructive partisanship.

That was the reason that for nearly 30 years the Republicans have won so few victories and the Democrats have won so many.

LYNDON was and is a natural born doer. If things were quiet, he sought action. If the policy of drift threatened progress, he reversed the course. If the bill was in danger, he dug up the votes—or added on a new amendment.

His legislative record is filled with landmark bills of outstanding achievement. Strength in military preparedness was one of his earliest concerns as a House Member, as the Senate leader, and now as Vice President.

He was the first to recognize our loss to the Communists of leadership in space. He sought to correct this loss and created and became the first Chairman of the Committee on Aeronautical and Space Sciences. Much of our progress today is due first to LYNDON's establishment of the committee, his enlargement of the scope of the program, and his enlistment of Bob Kerr as his successor.

His interest in conservation—of both human and natural resources—in rural electrification, and in water development projects marked him as a leader in our national development of industrial as well as military strength.

Thus, he now heads up important sections of the administration program, such as chairmanships of the National Aeronautics and Space Council, the President's Committee on Equal Employment Opportunity, and the Peace Corps Advisory Committee. He is also a member of the National Security Council. Whenever a new crisis develops, there's apt to be a new oversea diplomatic assignment for L. B. J.

In addition to all the administrative and legislative duties so ably performed by the Vice President, he has become the principal spokesman of the Democratic Party in its efforts to re-elect a Democratic administration and Congress in 1964. He is the most sought-after speaker in the party.

Oklahoma is honored to have been able to bring the Vice President here for our Jefferson-Jackson Day Dinner. This has been a vital challenge to the Democrats of Oklahoma. And now, knowing the Vice President's urge for more action and less talk, it's time for you to hear our distinguished guest.

Ladies and gentlemen, the Vice President of the United States.

REMARKS OF VICE PRESIDENT LYNDON B. JOHNSON, JEFFERSON-JACKSON DAY DINNER, OKLAHOMA CITY, OKLA., MAY 20, 1963

Fellow Democrats, neighbors, it is always a pleasure to return to Oklahoma.

You State has been blessed with abundant resources of vitality and leadership.

Your colorful history has provided us with colorful and able leaders.

Many of our more learned Senators today still shy away from using long, flowery words in their speeches because they remember too well how much the beloved Bob Kerr enjoyed pulling out his dictionary, stopping the Senate proceedings and thumbing through the dictionary's worn pages to check the meaning of a word.

Just as Bob Kerr checked the meaning of a word to bring his colleagues down to size, he always checked the meaning of every bill, every piece of legislation, to weigh its effect on Oklahoma, on the Nation, on our party.

Bob Kerr is gone from Washington. The leadership he typified is not.

Men like MIKE MONROE and HOWARD EDMONDSON can be seen daily digging into the legislative storehouse for something to benefit Oklahoma, the Nation, and our party.

In the House of Representatives CARL ALBERT, TOM STEED, ED EDMONDSON, JOHN JARMAN, and VICTOR WICKERSHAM form a strong, cohesive team that is willing to take on all comers for benefit of Oklahoma, the Nation, and our party.

Of course, we are not unmindful that there is an occasional accident when someone from that other party slips into office here. It does happen "when the corn is as high as the elephant's eye."

I am going to present our party as a party of action. The other party is a party of opposition.

I am going to present our party as a party that moves. The other holds back.

I am going to present our party as one which lives with hope. The other party lives with doubt.

I am going to present our party as a spokesman for the people. The other party is the spokesman for property.

Before I contrast the two parties, however, allow me to contrast the two ideologies that must be the concern of both parties.

There is a struggle today between two great philosophies—the philosophy of freedom and the philosophy of communism. The issue of the kind of leadership our party can provide is all-important.

We must understand that if we just call the roll on the differences between our country and the Soviet Union, the balance sheet in terms of resources and population does not guarantee success.

Here are a few examples:

1. In terms of population, the Soviet Union has a distinct edge—221 million people to our 187 million people.

2. In terms of arable land, the Soviet Union again has a distinct edge—585 million acres compared to our 188 million acres.

3. In energy fuels—oil and coal—Soviet reserves are definitely larger than ours, even though our production is more efficient and we make better use of our resources.

4. In many vital minerals—perhaps the best example is manganese—the Soviet Union has far larger reserves.

5. In overall food supplies, we are far ahead—but this is efficiency of production and not resources, and we could be overtaken.

6. In housing our people, we take the lead: In 1960 we constructed 1½ times as much.

7. Soviet steel production is below ours, but at the present rates of growth, we could be overtaken by the end of the decade.

8. In the field of space, the Soviets took an early lead in constructing the big booster rockets, and we have not caught up to them yet. And, they are also ahead of us in experience gained from manned space flights, although the recent magnificent achievement by one of your native sons, Maj. Gordon Cooper, helped narrow that gap significantly.

9. In electric power we are far ahead of the Soviets.

10. But in one vital field there is a disturbing trend which could be decisive—the field of education. In 1950 we graduated 52,000 scientists and technicians while the Russians graduated only 36,000. Ten years later, in 1960, we graduated only 38,000, and the Russians graduated 111,000.

When we look at these trends, I think it is apparent to all of us that we cannot sustain freedom merely by statistical superiority. What counts is the superiority of freedom as a way of life and the willingness of people to work and to sacrifice for it.

This they will do only if we make our system work.

And it is in this field—making our system work—that we must really choose between the two parties.

Let us look at the record of seven of America's problems—every one of which our administration—a Democratic administration—offers a program.

1. Education: It has been said that the educated mind is the guardian genius of democracy. It is not theory. It is fact.

2. In addition to Russia's outstripping our efforts to produce more scientists and technicians, other statistics should be noted.

At our present rate, the United States will be short 90,000 doctoral degree holders by 1970. We need to be turning out 2½ times more Ph. D.'s in engineering, mathematics, and the sciences.

We need a wider dispersal of the graduate schools from which such degrees are obtained, because today three-fourths of all Ph. D.'s are being granted by a handful of universities located in only 12 States, and the region we so proudly call the Great Southwest turns out fewer than any other region in the Nation.

There must be an answer.

The Democratic Party has the answer, a comprehensive education program, but it has been decimated and successfully bottled up by members of the other party, joined by a few diehards of our own party.

2. Care for the aged: When the 20th century began, only 1 out of 20 Americans was over the age of 65. Now, it is 1 of 10. There are 1,000 more Americans past 65 tonight than there were at this hour last night.

Fifty-six percent of the aged couples live on less than \$2,000 a year. Eighty percent suffer chronic diseases. One in five aged couples have hospital bills each year—and half the time the bills exceed \$700—one-third or more of their total income.

There is a need.

There must be an answer.

The Democratic Party says "Yes."

We have an answer.

The Republican Party says "No."

Eighty-six percent—let that penetrate—86 percent of the Republican Senators voted to defeat and succeeded in killing—medical care for the aged.

They don't want to let the employee and employer each contribute \$1.50 each month under social security to assure the aged of some peace of mind after retirement.

3. Youth: at the other end of the age spectrum, 40 percent of our population today is under 21. We have 1 million more 16-year-olds alone this year than last. Eighteen percent of our unemployed are boys and girls under the age of 21.

We must in this decade provide 26 million new jobs—and we are running far behind. Unemployment among young workers is two and a half times higher than the national average and it will grow worse if we don't act.

There must be an answer.

The Democratic Party says "Yes."

The Republican Party says "No."

The youth opportunity bill is designed to alleviate part of this problem. Twenty Republicans voted against it. Only seven voted for it.

4. Resource development: Oklahoma has taken the lead in developing its resources. But vast areas of our Nation lag behind. Thirteen million acres of Dust Bowl lands need to be revegetated.

Two hundred millions acres of rangeland need to be cleared and planted. Our rivers still run red to the bottom carrying away topsoil—if not detergents.

There must be an answer.

The Democratic Party says "Yes."

The Republicans say "No."

Eighty-eight percent of the Republican Senators—88 percent—voted to cut funds for America's water resources.

5. Public works: Closely related to resource development. Additional public works projects mean more employment, more funds in circulation, benefits to everyone upon completion. But Republicans make

public works projects one of their prime targets for budget cutting, merely for the sake of opposing.

6. Space: This has gained the lion's share of publicity—and justifiably so.

When we talk of space and space research, there are those who raise the question that our efforts cost too much. Certainly American leadership in space is not cheap. We are now spending 20 cents per week per capita on our national space program.

Other Americans ask if our space efforts are worthwhile.

I can answer in terms we can all understand. While the space age is not yet 5 years old, more than 5,000 companies and research organizations have been or are now involved in our space effort. We have produced more than 3,200 space-related products, many of which are already being put to use.

But, many prominent Republicans are questioning the value of the program. A former Republican President has referred to our moon project as a "stunt."

I can answer that simply: I do not believe that this generation of Americans is willing to resign itself to going to bed each night by the light of a Communist moon.

7. The farm program: Something close to every Oklahoman's and Texan's heart. In production, the strides our farmers have made have been fantastic.

One farmer in America today feeds 27 people.

In Russia, only five or six people can be fed by one farmer's output. But, it is costing our Government to keep our surpluses in storage and to help diminish them.

The feed grain program, which was debated hard and long in the Senate last week, will help reduce the surpluses—will raise the farmer's income—will keep him from moving from the farm to the city.

It is a program the Democratic Party believes in.

We say "Yes." It will work.

The Republicans say "No." Eighty-four percent of them voted against it.

When I speak of these things, I speak with strongest personal feelings.

The test of our parties—and of their service to our people—is how well and how faithfully they are serving America and the opportunities of America's future.

We are Democrats because we believe America is still master of its own destiny.

We are Democrats because we do not believe America must pull back from the world or pull out from the pursuit of a better life for all its people at home.

As Democrats, we can hold our heads high in the company of any Americans. And we must go among them all—we must knock on every door—and carry to responsible Americans the story of a responsible party—responsibly serving all the people at home and in the world.

### Hon. Fritz Lanham To Leave Washington After 40 Years

#### EXTENSION OF REMARKS OF

### HON. ALBERT THOMAS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1963

Mr. THOMAS. Mr. Speaker, it is with great reluctance that we realize our former colleague and most able and distinguished friend, Fritz Lanham, is leaving Washington after some 40 years.

Congressman Lanham served with us in the House for 28 long and important years. During my service in the House I do not think I have ever had the privilege of knowing a more capable, effective, or more dedicated and patriotic person than Fritz Lanham. All of us will miss him and his lovely wife, Hazel. They have a host of friends in Washington and all of us will regret their departure.

### Legislation Needed To Combat Unemployment Due to Internal Revenue Regulations

#### EXTENSION OF REMARKS

OF

### HON. THOMAS M. PELLY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1963

Mr. PELLY. Mr. Speaker, I have today introduced legislation to amend sections 162 and 274 of the Internal Revenue Code of 1954, relating to the deductibility of certain business entertainment expenses, and so forth. My bill is identical to a number of others currently pending before the Committee on Ways and Means.

Ever since the Internal Revenue Service's regulations were published in final form in the Federal Register of December 29, 1962, I have received ever-increasing complaints from businessmen whose enterprises in large part depend on the promotion of good will by means of legitimate entertaining, and so forth, and also from the restaurant, hotel, motel, and entertainment industries generally. These communications represent the protests of both management and labor in these industries, not to mention the related food and meat suppliers, who are also seriously affected.

However, early in April, the real impact of this problem was brought to my attention by representatives of the National Restaurant Association from my State of Washington. These gentlemen came to Washington, D.C., to draw attention to the serious economic problem facing their industry, not only in the State of Washington, but also in the Nation as a whole.

This problem has been created primarily by reason of the incomprehensible and complex regulations imposed by the Internal Revenue Service in connection with the new expense account law, which in turn has resulted in confusion on the part of businessmen, leaving them floundering in a state of uncertainty.

For example, in the city of Seattle, during the months of January and February 1963, alone, there has been a job loss of 605, directly related to the restaurant industry, involving a wage loss of \$359,160. This does not include allied businesses, which have also been adversely affected by the uncertainty of the Internal Revenue regulations. A countrywide survey by the National Restaurant Association during the same period of time points up a job loss of some 44,000 persons, which, if projected on an annual basis, will amount to approxi-

mately 140,000 persons, and will involve a loss to the industry itself for the same period in excess of \$1 billion.

Some entrepreneurs in the industry with whom I have consulted favor the National Restaurant Association's position which supports specific legislation to remedy the confusion. However, up until now, I have been loathe to follow this course, because, in view of the major tax legislation pending before the House Ways and Means Committee, it seemed to me that the enactment of special legislation to cope with the problem was not practical. More realistically, I believed that once the Internal Revenue Service was presented with all the facts, it would be persuaded to handle the matter administratively.

After considerable correspondence with Mr. Caplin on this subject, however, I found that I had been unduly optimistic. He either cannot or will not correct the uncertainty created by these new regulations.

Certainly, IRS regulations which, on the basis of all indications, will result in such a substantial loss of jobs and sales volumes, are self-defeating—tax-wise—and obviously not in the best interests of the Government.

Consequently, it appears the only way the matter can be handled to correct this confusion and relieve an already distressed industry, is by the passage of legislation such as I have introduced, which would impose a standard of reasonableness to govern the deductibility of business and entertainment expenditures, together with a reasonable recordkeeping program.

The matter is critical and I urge early consideration by the Committee on Ways and Means.

### The Wheat Referendum

#### EXTENSION OF REMARKS

OF

### HON. DAVE MARTIN

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1963

Mr. MARTIN of Nebraska. Mr. Speaker, Tuesday's wheat referendum was a resounding mandate to the Congress and the administration that our people want less Government, fewer controls, and an end to this cycle of having the Government do more for its citizens. The people of this country want to solve their own problems without the do-gooders and bureaucrats from Washington interfering.

In the questionnaire which was just completed, the farmers in the Third District of Nebraska voted 68.3 percent against this wheat referendum. Their reaction to the Domestic Peace Corps is 69 percent "no"; to the Youth Conservation Corps, 78.6 percent "no."

If the Congress and the administration will heed this referendum and interpret this wheat vote correctly, plans for more new programs such as mass transportation, urban renewal, Domestic Peace Corps, National Youth Opportu-



nities Act, education bills, Medicare—and yes, even tax cuts as long as we are running a deficit—will be dropped. If a referendum could be held on all of these spending programs, the voters would overwhelmingly reject them as they did the wheat program Tuesday.

I trust that the Congress will give pause and reflect somberly on this vote of Tuesday and carry the mandate into other fields of legislation.

### Hudson VFW Anniversary

#### EXTENSION OF REMARKS OF

**HON. PHILIP J. PHILBIN**

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1963

Mr. PHILBIN. Mr. Speaker, under unanimous consent to revise and extend my remarks, I include remarks I made in part on May 4, 1963 at the 40th anniversary banquet of the Veterans of Foreign Wars, Hudson, Mass., in my district:

This occasion has great significance for the town of Hudson, and indeed for all of us, since from the very time of its inception, and before, the members of this organization have always exemplified the most inspiring kind of patriotism and the best kind of citizenship.

In war, its members have been a tower of strength in every generation in defending our country against its enemies.

In peace, they have unselfishly furnished the leadership and example that has been so meaningful and constructive for community, State and Nation, for our spiritual ideals, and for the promotion of the public good and well-being.

It is, therefore, with great pride that I join in this outstanding celebration, and extend to you all, as your Congressman and as your friend, my warm congratulations, commendation, and the faith and prayer that your great work will long continue.

Though your members and other gallant Americans and allies have fought a succession of bloody wars to preserve our blessed heritage, and for the liberation of the oppressed, we have by no means, as yet, realized our goals of freedom and world peace.

The Communist conspiracy is still with us, vigorously pressing its aims to dominate the world and to stifle the lamps of freedom. It has been responsible for much bloodshed, turmoil, strife, and injustice in the world. It is continuing its bitter struggle to capture, not only the territories, but the political independence and minds of men and women in the many nations where it continues its incessant warfare against human freedom.

But it is now increasingly evident that the Communists are losing the cold war. The might, power, and strength of our country and the free world is now becoming clear to all, even the leaders of the Kremlin.

If we but continue with firmness and strength to stand resolutely against the Communist conspiracy, its aggressions, its design, its infiltrations of free nations, we may yet even sooner than we think, achieve that peace and brotherhood which the whole world seeks and yearns for.

We must not allow the establishment of a Communist beachhead in this hemisphere, spreading subversion and violence, to threaten our safety and security and that of our neighbors.

We must stand by our commitments for ordered liberty and for justice, decency and collective encouragement and assistance for those who stand with us in the fateful struggle that could well determine the course of history for the next thousand years or more.

These tasks will require continued courage and firm, sagacious leadership, but I am sure that the American people will never abandon our historic resolve to protect our free institutions and the rights of man.

In this critical period, as we face one crisis after another, let us continue to show that indomitable spirit, allegiance and loyalty to the free way that has so gloriously marked the members of this organization, and others like you, who have stood and will continue to stand for God and country, for the dignity of man and for the cherished freedoms we so dearly cherish.

Let us hopefully look forward to the day, which we pray may soon come to afflicted mankind, when subversive conspiracies will cease and when judicial institutions will replace armed might as the effective instrument for implementing a just world peace and establishing in the world the blessings and fruits of human brotherhood.

Until that day comes, let us courageously face up to every task, keep our great Nation united, vigorous and strong, and wisely and patiently use our great power, spiritual and material, and our resources to secure a just, enduring peace and to guard our territorial integrity, political independence and free democratic institutions.

### Government Lotteries of Australia and New Zealand

#### EXTENSION OF REMARKS OF

**HON. PAUL A. FINO**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1963

Mr. FINO. Mr. Speaker, today I would like to tell the Members of this House about two more foreign countries which operate government-run lotteries. Both of these countries have found that lotteries not only yield high revenues but also help eliminate underworld problems.

Australia has four state-controlled lotteries which, last year, brought in over \$88½ million. The net income to these states amounted to over \$27¼ million in 1962. It might be interesting to point out that the 1962 gross receipts exceeded the previous year's sales by more than \$15 million.

It is apparent that the Government of Australia sees nothing wrong with properly regulated and controlled lotteries. Last year's Government profit from its lottery operations was earmarked for hospitals, child and motherhood welfare, mental institutions, and for financial help in constructing the Sydney Opera House.

Mr. Speaker, the other country which neighbors Australia is New Zealand. Although New Zealand is a small nation, it is long on financial wisdom, for it, too, has had the sense to recognize the merit of harnessing the gambling urge so as to make it work for the public good.

Last year, the gross sales amounted to \$13,300,000 and after prizes, almost \$4

million was distributed for youth and sporting organizations, community projects, charitable objects, and other worthwhile projects.

Why, Mr. Speaker, can we not exercise the same kind of wisdom in this country? Why can we not capitalize on our American people's urge to gamble? Why can we not cut our taxes and reduce our national debt with a Government-run lottery which can easily raise over \$10 billion a year in additional revenue? Let us grasp this financial wisdom of our friends—it is never too late.

### Pesticides

#### EXTENSION OF REMARKS OF

**HON. KENNETH A. ROBERTS**

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1963

Mr. ROBERTS of Alabama. Mr. Speaker, since it is my privilege to serve as chairman of the Subcommittee on Public Health and Safety of the Committee on Interstate and Foreign Commerce it is with a great deal of interest and relief that I learned of the President's recent order calling for the Government to take immediate steps to cut down the health hazards resulting from the widespread use of pesticides.

The reckless and, in some cases, uncontrolled use of lethal chemicals in so-called bug-killers has been a source of real concern to me, as it has to many others, for quite some time. Everyone remembers the cranberry scare only a couple of Thanksgivings ago. Unfortunately it became almost a joke and the public, in general, felt that a mountain was being made of a molehill. However, I submit, Mr. Speaker, that this was a warning bell which we must heed in the interest of something as basic as human survival.

Mr. Speaker, the excessive and increased use of certain chemicals in today's pesticides are, while not as sudden in their action as the atomic bomb, just as lethal and actually far more insidious. We already know what some of these chemicals in larger doses have done to birds, fish, soil, and animals. As a result, Audubon and garden societies all over the Nation are rising in protest over indiscriminate spraying of thousands upon thousands of acres of our land and foliage. Of course, some kind of pest control is very necessary. But, Mr. Speaker, in spite of some claims, pesticides simply cannot discriminate between honeybees and gypsy moths—fish and budworm—crab grass and mocking birds—San Jose scale and you and me. So, without proper controls the use of pesticides borders so close to an "imbalance of nature" that we run the risk of eliminating the words "future generation" from our vocabulary.

Mr. Speaker, some action has already been taken by the executive branch of the Government. This is the result of the work of the President's Science Advisory Committee with more than modest

motivation by one of our brilliant authors, Miss Rachel Carson. It is my understanding that Miss Carson will testify before one of the committees of the other body the latter part of this month and I am sure I will be most interested in hearing what she has to say.

Mr. Speaker, because I am fully aware of the effect any legislative action will have on commerce as well as the health of our people; because of the lack of coordination among the various Government agencies involved in the use of pesticides; I pledge my full support and seek active participation on the part of my colleagues in the Congress, in formulating legislative and technical controls on the use of pesticides. Through apathy, Mr. Speaker, let us not turn the word pesticide into genocide.

I might add one thing further, Mr. Speaker, and that is that my subcommittee is currently holding hearings on the reorganization of the Public Health Service. We have heard testimony from the top officials in all the various agencies of the Public Health Service and we hope to have the pleasure of hearing testimony from Dr. Jerome Weisner, Chairman of the President's Science Advisory Committee in the near future at which time we sincerely hope to obtain further information on the use of pesticides and determine the best course of action to follow in this area.

## Our Local Transport Airlines: Progress and Problems

### EXTENSION OF REMARKS

OF

HON. OREN HARRIS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1963

Mr. HARRIS. Mr. Speaker, in view of its timeliness I should like to call the attention of the Members of the House to an address made by our distinguished colleague and hard-working member of the Committee on Interstate and Foreign Commerce, Representative WALTER ROGERS of Texas, before the Association of Local Transport Airlines, Fort Worth, Tex., May 9, 1963.

Among other pertinent and significant comments Mr. ROGERS refers to the long-standing interest of the Committee on Interstate and Foreign Commerce in the problem of securing a successful replacement for the DC-3 workhorse aircraft, especially for use by local service airlines.

Mr. ROGERS' address follows:

Mr. Chairman, members of the Association of Local Transport Airlines, distinguished visitors and guests, it is always a pleasure and an honor to visit with you, and I am especially honored to join you at this quarterly meeting in the discussion of vital problems affecting our country.

To get right to the point, let me call to your attention that the Congress has charged the Civil Aeronautics Board with the responsibility of developing a national system of air transportation which, among other objectives, will " \* \* \* recognize and preserve the inherent advantages of \* \* \* and foster

sound economic conditions in, such transportation \* \* \* and \* \* \* encouragement \* \* \* " Certainly the Congress, in fixing this responsibility, knew or, by the exercise of reasonable foresight, should have known that Government help would be required. In other words, there would be need for substantial subsidies. Air transportation as we know it today was born during the lifetime of many of us here in this Hall. As an economic infant, it was no different from a human infant in its need for attention, assistance, and care to bring it to maturity. Its growth has been incredible, and when we look back across the few short years to the World War I "Jenny," it is difficult to believe the progress that has been accomplished. I remember quite vividly my first flight in the two-seated "Jenny" in the 1920's, and the time I took my life in my hands and rode in a Ford trimotor. We then graduated step by step to the DC-3. Many considered this plane as the acme of perfection in engineering and development. The unbelievers refused to acknowledge that such a large plane could be a continuing success, and they were certain that no longer plane could ever be built and lifted into the air. I think of the story of the hillbilly boy in Arkansas, who had refused to accept motor transportation. He was watching the driver of a Model T trying to get it out of a mudhole in which it had become mired. The hillbilly boy was shaking his head and repeating to himself, "He'll never get it started. He'll never get it started." About that time, as flippers were sometimes likely to do, one of the wheels struck a hard object and the Model T literally leaped out of the mudhole and sailed off down the road. The country boy continued to shake his head, but began to say, "He'll never get it stopped. He'll never get it stopped."

I think this is applicable to the air transportation industry. It was most difficult to get it started, and it will be much more difficult to get it stopped. No one individual or small group of individuals can take credit for these outstanding developments. Certainly the CAB would be the last to try to assume such a role. I am sure that this agency would readily admit that on occasion they have probably hindered the advance of aviation, but not intentionally so. In carrying out the responsibility of the CAB in implementing Government participation in the development of this industry, it was necessary for the agency to weigh each step with great care because they owed an allegiance not only to the promotion and development of this industry, but also to the taxpayers of this Nation who provided the vital funds. Many think that the CAB has followed too rigid a policy in failing to provide proper subsidy to insure full development of a national air transportation system that would extend into the small cities and the thinly populated areas, as well as to provide connections between the metropolitan centers. In any event, and I am sure that the point is debatable as to whether or not the Federal Government has participated as fully as intended in the solution of this problem, in my opinion, we do not now have the national air transportation system intended to have been created by the Congress. Although the tremendous strides forward, the unbelievable development and the unanticipated achievements in air transportation have been the result of a unified effort on the part of all segments of the air transportation industry and associated groups working in conjunction with the Federal Government, our present national air transportation system is a divided rather than a unified system. Two classes of carriers and certainly two general classes of service have emerged from what has been done in the past. One of these is the domestic trunkline carrier, which is presently occupying the status of being self-supporting. The other

is the local service carrier which is not self-supporting, and is in a quandary at times to know just what status it does occupy, which calls to mind the story of the baboon who walked about his cage carrying a Bible under one arm, and a copy of Darwin's "Origin of the Species" under the other. One spectator inquired as to the cause of such actions. The keeper advised that the baboon was confused because he couldn't make up his mind whether he was his brother's keeper, or his keeper's brother. I am sure you local service people understand the dilemma. Whatever your status, let it be said that you are true pioneers wrestling with a problem to which the proper solution is of great interest to this Nation just as was the need for success in the westward movement of wagon trains.

I am sure that none of you enjoy being on subsidy. In this age of semantics the word "subsidy" has been turned into a dirty expression. There are, no doubt, many areas and instances in which Federal subsidy should be condemned, but certainly not in the local service air carrier system. As I pointed out earlier, you are, relatively speaking, an infant growing to maturity. If your body is to be sound, and your mind keen, proper provision must be made to build this industry on a sound basis, and opportunity must be afforded to bring about that end. Perhaps I will offend the trunkline carrier by what I am about to say, but nevertheless, in my opinion, it should be said. Until the trunkline carriers were able to confine their operations to the cream of the market, they too were on subsidy. If the local service carriers were taken out of business either by the canceling of certificates or by bankruptcy, and the trunklines had to assume the present responsibilities of the local service carriers in order to provide a national air transportation system, they would require a substantial subsidy, probably more than is presently going to the local service carriers. In other words, it seems rather unfair to me to charge the local service carriers with being the recipients of a Federal subsidy, if the dictates of the Congress for the creation of a national air transportation system are to be carried out. The matter should be viewed as one system as important to the welfare of this Nation as the communications system and the Postal Department. The records will reflect that in 1962, public service payments amounted to \$66 million. In turn, it can also be pointed out that the local service carriers originated \$69 million worth of revenue for the trunklines of the United States. Five hundred and seventy-seven cities having a population of more than 116 million people were served by these carriers. Of these cities, 341 received their only air service from the local carriers. Two hundred and fifty-two military bases received service from the carriers, and of these, 69 were entirely dependent upon the local airlines for their commercial air service. The last decade has seen passenger traffic increase fourfold in these operations, and it has increased 130 percent in the last 5 years. Some 14,000 people depend upon paychecks totaling \$91,500,000 per year for their livelihood, their sustenance of themselves and their families. The local service industry paid more than \$2,250,000 in State and Federal taxes on fuel and oil, and collected over \$10 million in transportation taxes for the Government during 1962. At the same time and during the same period, additional services that were being provided by the local service carriers and public benefits for each dollar spent have increased some twofold in the past 5 years. This in spite of the deflated dollar. Many statistics can be provided to show that the local service carriers are receiving less subsidy than did the trunkline operators during their time on subsidy. However, it is not my purpose here tonight to try to generate a controversy between two



segments of a great and vital industry. It is my purpose to lend what assistance I can toward unity in the industry with proper participation by the Federal Government in providing the national security safeguards so closely associated with the air transportation industry and to properly foster the full economic expansion of this business.

Although great strides have been made as I have heretofore indicated, there are many soft spots that are in need of treatment. It is my feeling that these soft spots have been created by the Government rather than by the industry. I do not mean to indicate that the industry is free of just criticism. There are many things that the industry can do and should do in the furtherance of the solution of the overall problem. However, I do not think that they should be called upon to respond to such criticism until the Government measures up to its full responsibility. I am also of the opinion that perhaps the CAB is in a state of confusion as to the role the Congress expects it to assume. In order to bring the overall problem into clear focus, I think it would be well if the Congress could enunciate a policy to the effect that the national air transportation system is a national problem and a problem that must be treated as a single problem. Certainly there are many facets and fragments to be dealt with, but it should be understood that each of these are to be tied together and properly equated with the whole. It is only by this procedure that we can insure proper service, proper defense, and proper economic growth to our country in its entirety. And it is only by this procedure that the full potential of the aviation industry can be brought to bear for its contribution to the growth of our Nation. If expanded participation by the Federal Government in supporting the local service airlines is necessary to bring about the needed results, this obligation on the part of Government should be squarely faced. It would be disastrous to permit the feeder lines to slip backward into poor financial conditions and to try to cure such an ailment by further curtailment of service to the thinly populated areas. It is my understanding that all of the local service airlines made a little bit of money last year. This fact standing alone does not mean that that segment of our economy is in a healthy condition and it does not mean that subsidy payments should be promptly reduced. You will agree with me that getting these local service lines into the black was, to some extent, at the expense of service. The people in the United States are widely scattered throughout our country from the single-family isolated farmer or rancher to the thickly congested metropolitan areas. They are all Americans and they are all entitled to consideration in this or any other problem which faces us as a Nation. If the local service airlines are to be graded solely on the basis of a good balance sheet, then there will be many citizens of our country who will not have available to them the transportation services to which they are entitled. We all know of the substantial curtailment of rail passenger services, as well as limited bus schedules in many of the thinly populated areas. America is today living in an air age and our people in all walks of life are entitled to the opportunity to participate. To condemn the local service airlines because they require subsidy in order to provide needed transportation services is utterly folly. Until the local service problem is answered, there will be a great untapped market. Many millions of our people have never been in an airplane and many others would be in an airplane more if the services were available. It is the age-old problem of which comes first, the chicken or the egg. Every industry and every segment of that industry, like a human being, must crawl before it walks, and it must walk before it runs. If more attention is paid to the solu-

tion of the problem than to the condemnation of these small struggling corporations, success would be nearer.

One of the crying needs of the industry at this time is a modern aircraft geared to the needs of the feeder line. This is not a new difficulty, but one that was anticipated several years ago. A difficulty about which nothing concrete has been done. I will remember in 1955 an investigation made by the Interstate and Foreign Commerce Committee of the House of Representatives of which I was a member. This investigation concerned this very problem. It was obvious at that time that the aircraft builders in this country were moving toward the development of aircraft that could fly nonstop around the world in the shortest possible time. The plane was to further conquer the oceans and the vast land expanses to move the air traveler from one metropolitan center to another, from one continent to another. The trunklines moved from the two-motored DC-3 to the larger four-motored craft, and then into the very expensive jets. The DC-3 that had been the workhorse of the trunklines continues to be the workhorse of the local service lines and remains today as a stalwart ship that is bearing this load. The 1955 investigation took our committee to Amsterdam, to Paris, and to London in search of an answer to the short-haul problem. Of all the new aircraft that we viewed, only the F-27, then the Fokker-Friendship, appeared to be a possible solution to the problem. Several of our local carriers, including two Alaskan carriers and one Hawaiian carrier, have testified to the economic benefits derived from this aircraft, which is presently manufactured in this country by Fairchild-Stratos in Hagerstown, Md. The record on this craft is written and can be reviewed by those seeking machines for the short-haul purpose in this country. There is no doubt but that it does afford a solution to part of the short-haul problem. Some say that there are other available aircraft on the market today to meet the low density problem in the short-haul category. Frankly, I have not yet seen the plane that will answer all functions of the short-haul problem. It is my feeling that if we can find an answer to the low density portion of that problem, we will be in the vicinity of a breakthrough. I would hope that effective action in that area would be of great service to the small cities where it is most badly needed and where the basic answer to this problem lies. It would certainly not be out of line for Congress to provide funds for experimental and developmental work on this subject. It would be an investment rather than a subsidy; an investment that would pay substantial dividends. Perhaps we need two planes in order to attain success—one of which would service the "third level" type of operation and create a several-phase situation in air service, each of which would complement the other. This would also provide the smaller communities with a weapon to meet the "use it or lose it" criterion fixed by the CAB. Frankly, I do not feel that this criterion is the answer to the problem. Once the local service group becomes healthy and the cities being served have the opportunity to utilize air service fitted to their needs, there may be a sound basis for the "use it or lose it" idea. However, as long as this type of service is in the embryonic stage, it should be helped, not hindered.

It is indeed encouraging to know that Postmaster General Day is feeding out more first-class mail to the local service lines for movement on a space available basis. This will provide a much needed service especially in those areas where surface transportation is slow and inadequate. There are other ways that the Government can help in the solution of this problem other than the subsidy route, and on a value received basis such as the postal service. I, of course, feel that the

Members of Congress will address themselves to greater participation by the Government in this area.

I yield to no one in my desire to see Government in business as little as possible. I yield to no one in my desire to see a balanced budget and marked reductions in Federal expenditures. I yield to no one in my desire to avoid every possible Federal subsidy. But I am equally aware of the fact that any country intending to be and remain strong must have and maintain a strong, healthy, and vigorous communications and transportation system. Each segment of these general categories presents different requirements and different challenges. It is only by a unified approach on a national basis that these challenges can be met and a vigorous free enterprise industry built. It is one of the responsibilities of the Congress to take such step as necessary to insure that end, in keeping with the general philosophy of the Government under which we live.

We all know the difficulties of wrestling with economic feasibility in high cost air operations. I do not think that the Congress should be penny wise and pound foolish in trying to solve a national problem. Once the local service problem has been substantially answered and that segment of the industry begins to enlarge its muscles, it can assume and absorb some of the services now being handled by the trunklines, which the trunklines would like to get rid of. This would, of course, contribute measurably to the stability of the overall industry and all of its segments and associated businesses and speed the day when subsidies can be discontinued—a day we would all welcome. It is a problem that, in my opinion, cannot be put off, and I would hope that you who are in the front line trenches would do your best to bring forward a sound and well based program containing your suggestions and observations so that the Congress may move forward at an early date on the subject matter. I would conclude by calling to your attention that we have a representative form of government, and I know of no Member of the Congress who does not have some direct or indirect concern with the local service airlines and their associated industries. I do not presume to tell you how to proceed, and I certainly do not want to burden my colleagues in the Congress with additional mail. But I would point out that in my judgment, the local service airlines, the Alaskan carriers, the Hawaiian carriers, and the Caribbean carrier have many friends in the Congress. It has always been my experience that when one is in trouble, he should see his friends.

**Women's Advertising Club of Washington Honors Mrs. Kay Hanson as "Advertising Woman of 1963"—Representatives Leslie C. Arends and A. S. Herlong, Jr., and C. Bedell Monro Speak**

EXTENSION OF REMARKS  
OF

**HON. JENNINGS RANDOLPH**

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES  
Thursday, May 23, 1963

Mr. RANDOLPH. Mr. President, it is difficult to measure the effect of advertising in the everyday life of the average American. Each of us is repeatedly reminded, influenced, and aided by advertisements, and our decisions and actions

are determined in part by the appeal and scope of a particular publicity approach. Advertising is a significant part of American business, and millions of dollars are flooded into the economy each year by firms which wish to publicize their services, wares or capabilities.

In the Nation's Capital, there exists an efficient and effective organization devoted to the field of advertising, which brings together individuals concerned with that aspect of commerce. The group, the Women's Advertising Club of Washington, has among its membership women of demonstrated ability and imagination in ad making.

Annually the club holds an award luncheon, at which time homage is expressed to the woman who, in the past year, has made the most outstanding contributions to the advertising field. Honoree for 1963 is Mrs. Kay Hanson, secretary-treasurer of United Service Associates, and a woman experienced and respected in the techniques and requirements of advertising.

Mr. President, it was my privilege to attend the 1963 Advertising Woman of the Year Luncheon, sponsored by the Women's Advertising Club of Washington, at the Washington Hotel, May 23, 1963. It was my opportunity to greet and congratulate Mrs. Hanson, a cherished friend, on this meaningful recognition of her abilities and accomplishments. Likewise, it was gratifying to meet other leaders in the advertising area.

Principal speaker was Hon. LESLIE C. ARENDS, Republican, of Illinois, who has been re-elected to the House of Representatives each term since the 74th Congress, and with whom I served in that body.

Also participating in the program and commending the achievements of Mrs. Hanson were U.S. Representative A. SYDNEY HERLONG, JR., Democrat, of Florida, and C. Bedell Monroe, president of United Service Associates. Mr. Monroe is a personal friend with whom I was associated when he was president of Capital Airlines.

Sharing recognition were the following ladies who in the past have been named Ad Woman of the Year: Mrs. Julia Lee, 1962 recipient, who made this year's presentation to Mrs. Hanson; the 1959 winner, Miss Kathryn Bowers, who is with the Public Relations Department of the National Bank of Washington; Miss Ruth Sheldon, honored by the club in 1957; Mrs. Ruth Cotting, of Woodward & Lothrop, award winner in 1956; Miss Vi Sutton, of the Hecht Co., named in 1954; and the 1952 Ad Woman of the Year, Mrs. Jean Ambrose Schulthies, of Ohio.

Presiding was Mrs. Margaret K. Scott, president of the Women's Advertising Club of Washington. Mrs. Scott introduced guests at the head table: U.S. Representative Charlotte E. Reid, Republican, of Illinois; Representative Herlong; noted newspaper columnist George Dixon; Robert Bowerman, president of the Advertising Club of Metropolitan Washington; Wallace Carroll, president of the American Gauge & Machine Co.; and Mrs. June Miller, program chairman of the event.

Mrs. Scott read congratulatory telegrams from well-known personages, including former President Dwight D. Eisenhower. Also quoted was a gracious hand-written message from Bernard Baruch, which praised Mrs. Hanson, and said in part: "I hope that the future will continue to shine on you."

Also in attendance was the former U.S. Senator from Pennsylvania, Hon. James H. Duff.

I request that excerpts from the address by Hon. LESLIE C. ARENDS at the 1963 Advertising Woman of the Year Luncheon, at the Washington Hotel, Washington, D.C., May 23, 1963, be printed in the RECORD, and also remarks by C. Bedell Monroe, president, United Service Associates.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

#### REMARKS OF MR. C. BEDELL MONROE

It is not only a pleasure but a real privilege to say a few words about the guest of honor, particularly since as secretary-treasurer of our company she has worked for me and with me for some 16 years. That alone is a terrific accomplishment which deserves special recognition—at the very least a bronze plaque attesting to Kay Hanson's extraordinary courage and heroism.

Aside from that, at the very start of her association with our company she wasn't satisfied with the onerous duties of her office but made herself useful, in fact invaluable, as account executive for public relations, advertising and promotional programs, and legislative information for a certain of our client companies.

In her spare time, whenever that may have been, she devoted much effort to the affairs of the Women's Advertising Club of Washington, of which she was president for three terms in the last decade. Further, she continues to be active in political and civic endeavors.

We in United Service Associates are proud of Kay Hanson and deeply pleased that she is being so honored. I am certain that her many friends and associates join with us in extending the sincerest best wishes for her continued success far into the future.

#### SPEECH OF REPRESENTATIVE LESLIE C. ARENDS AT THE WOMEN'S ADVERTISING CLUB OF WASHINGTON

You are asking yourselves: Why should I—a common, ordinary, garden variety of politician—be the guest speaker on an occasion such as this?

That's a good question. I don't know the answer. And it is most unlike a politician to admit that he doesn't know the answer to any question.

There is this possibility: While politicians are plentiful in Washington—all eager with words to extol and cajole, to commend, and condemn—I am of the political species with which some of you may not be too well acquainted.

Maybe that's why I was invited to this luncheon: That you might see and hear a rather rare type of politician—rare in the sense of scarcity. There are all too few of us in the Congress—all too few of us in this New Frontier city.

Frontier life at best is hard and trying for any one. New Frontier life is unusually hard and trying for some of us. It is a constant struggle for us to survive.

We are rare. We are unique. We are not too plentiful. Maybe that's why I was accorded this privilege. But I hardly think my being a diehard Republican is the answer. I certainly wasn't invited here to make a Republican speech—not even a nonpartisan Republican speech. Those are the only

two kinds of speeches I have occasion to make. And I like to make them.

I do not know why I was asked, though I do know why I came. Not that I for a moment thought I had much to offer at a luncheon of this character, but I welcome this opportunity to express my admiration for the women of the advertising profession and, particularly, to congratulate and publicly pay my respects to Miss Kay Hanson, the Advertising Woman of the Year.

I propose to make some observations with respect to the use of slogans and labels in politics.

It may appear presumptuous of me, as a Member of Congress, to talk to you who are professionals in the field of advertising about the use of labels and slogans. While I know next to nothing about advertising principles and techniques, nonetheless I have witnessed firsthand how skillful advertising has influenced elections and legislation. It is to this, based on my own observations and experience as a Member of Congress, that I propose to make some brief comments.

Much of which I have to say, you may already know. I will be content if I contribute in some degree to a deeper appreciation of how important advertising is—with its slogans and labels—not only in the sale of products but in the sale of ideas that enter into national policy and the making of both laws and lawmakers.

When one thinks of advertising, he invariably recalls various slogans and the products associated with them. H<sub>2</sub>O is water to the scientist, but 99 44/100ths percent pure is Ivory Soap to the housewife. If you would ask the man who owns one, you wouldn't need to walk a mile for a Camel. You would get there in a Cadillac. But it could well be that even your best friend won't tell you where the seductive young lady lives who has repeatedly and alluringly said, pick me up and smoke me sometime. Whatever you do or propose to do, don't make a move without calling Smith, not even for a pause that refreshes.

Reach for a Lucky instead of a sweet. But what man wouldn't really prefer "a sweet"—if you know what I mean? "They satisfy," and I don't mean Chesterfields. That I don't smoke is immaterial. After all, there is "the skin you love to touch."

"They laughed when I sat down at the piano, but when I started to play." To tell you the truth, they laughed when I first ran for Congress 28 years ago, but when the votes were counted I was the talk of the party—the Republican Party—in my district that is.

"First he whispers. Then he shouts." That applies to Congressmen as well as to Big Ben. Not infrequently we have to shout to awaken our audience to the next point in our speech.

The point of all this is simply to indicate to you ladies of the advertising profession the extent to which your profession has conditioned the mental processes of all of us. The important point I wish to next make is that this conditioning of public thinking is not solely in the area of consumer goods but also in the larger area of governmental policy. Labels and slogans employed to secure public acceptance and enthusiasm for a product are likewise employed to secure public acceptance and enthusiasm for an idea—a political concept or an economic theory.

We all know that the spoken and the written words have had a tremendous impact on the course of history. Informing people and persuading people is not new. Cicero's orations in the Roman Senate had basically the same purpose as the orations delivered in the U.S. Senate. And I have no doubt that the CONGRESSIONAL RECORD is read with no more relish by many than we relished having to translate as students the



orations of Cicero. I might add, parenthetically, that there are some speeches in Congress that also require some degree of translation to be understood.

The effect of the novelists, the poets, the playwrights, the philosophers and the pamphleteers on the course of history is generally fully recognized. They were, for the most part, engaged in informing people of conditions they believed should be corrected. Such novels as "Oliver Twist," as "Uncle Tom's Cabin," "Main Street," "Oil," "Grapes of Wrath"—to mention just a few that immediately come to mind, and there are numerous others—contributed to the molding of public opinion. The writings of Marx, Tolstoy, Plato, Aristotle, Voltaire, had their impact in the formulation of public opinion.

All this we learned in our high school and college days. But this doesn't—it seems to me—tell the whole story. As professional advertising advisers you know; and I, as a Member of Congress all too well know, it is one thing to inform people but quite another to get them to act. It is not enough that you obtain acceptance of the merits of a product or idea. We must persuade them to buy the product. We must persuade them to act. From your point of view, action is doubtless the actual purchase of the item you through advertising seek to sell. In my field of endeavor, action would be at the ballot box.

How better can a people be moved to action than by an inspiring sentence—a Churchillian "blood, sweat, and tears" or a Rooseveltian "four freedoms"—or by a pithy phrase or some impelling slogan—Ben Franklin's "Unite or die."

We know how important slogans are in consumer advertising. Did you ever consider how important they have been and continue to be in political advertising? Apparently very few have, or I overestimate the importance of slogans in history, for I have not been able to find anywhere—not even in the Library of Congress—any book on the subject. The pages of history are replete with slogans, rallying men's minds to a cause and inspiring them to action. But no one has seen fit to put them all together as a subject for a book.

Everyone seems to be writing a book these days and seem to be finding it quite lucrative. Someone of your advertising ladies might profitably to your profession as well as to yourself, dollarwise and otherwise, try your literary talents on a potential "best seller" entitled "Slogans in History." And I might add, as a special inducement, earnings from a book have been known to get a special treatment under our income tax laws.

Governments have been destroyed and governments born behind a slogan. "Liberty, Fraternity, and Equality" was the banner in the French Revolution. "Taxation without representation" was the cry for independence in the American Revolution. In this connection I might say that if our Founding Fathers had visualized the present day situation and had known what taxation with representation would be like, they would probably have said—"let's forget the whole thing and go along without the representation."

Before coming here today I sat down with a pad and pencil and jotted down what slogans I could recall as being important, in one way or another, in the history of the United States itself. These are some that came to mind, and you can doubtless think of others. Without taking the time to put them in chronological order or to classify them, here they are, simply as they came to mind:

"Fifty-four, forty or fight."  
 "Tippecanoe and Tyler too."  
 "Rum, romanism and rebellion."  
 "Remember the Alamo."  
 "Millions for defense but not one cent for tribute."  
 "Crucified on a cross of gold."

"Give me liberty or give me death."  
 "We all hang together or we hang separately."  
 "No entangling alliances."  
 "To make the world safe for democracy."  
 "A war to end wars."  
 "Back to normalcy."  
 "Chicken in every pot."  
 "New Deal, Fair Deal."  
 "New Frontier."  
 "Bundles for Britain."  
 "America First."  
 "Honest Abe."  
 "The happy warrior."  
 "The economic royalists."  
 The "Brain Trust" and so on.

Some are slogans. Some are labels. Some are designed to inspire; others to deride. Some were effective. Some were not. The mere listing of only those I recalled suffices to say, without any explanatory comment on any of them, that slogans and labels with which the professional advertising counselor daily deals play a major role in marketing ideas as well as products.

I should like to digress for a moment to call your attention to an interesting historic fact which came to my notice about a year ago when reading William L. Shirer's classic book entitled, "The Rise and Fall of the Third Reich." While not actually a slogan, as we commonly think of the term, the "Hell, Hitler," salute of Nazi Germany served, as have so many slogans in history, as the symbol of unity of thought and purpose.

Hitler's father was the illegitimate son of a peasant woman whose name was Maria Anna Schicklgruber. Accordingly, Schicklgruber was the official name of Hitler's father until he was 39 years of age when, for some unknown reason, an elderly man by the name of Hitler officially acknowledged paternity of the 39-year-old Schicklgruber. Adolf's father thus became legally known as Hitler instead of Schicklgruber.

Mr. Shirer speculates whether Hitler could have become master of Germany had he been known as Schicklgruber. Can one imagine the frenzied German masses acclaiming Schicklgruber with thunderous "heils."

"Hell Schicklgruber."  
 This is not only one of the oddities of history. The story is pertinent to our discussion here as it points up how slogans, names, and symbols can be used to influence men's minds and to motivate action. It also points up the great importance of the slogan, the label, and the name being appropriate to the desired end. The proper phrasing, just the right words, at the right time, place, and circumstances—these and many other factors are doubtless a part of the technique of advertising. They are indeed factors entering into the formulation of political strategy.

Now, if you will, I should like to comment briefly on the use of slogans and labels in the legislative processes based on my personal experience as a Member of Congress. Some bitter battles have been fought in Congress over a bill against which or for which people have been aroused to action largely because of a descriptive slogan cleverly used by the proponents or opponents of the measure. Some of these legislative slogan campaigns have caused many a Member of Congress to tremble for his political future and, in the aftermath, a Member's vote on the measure has caused his defeat.

In the early days of the New Deal the Congress had presented to it the public utility holding company bill. It was a very complex measure, directed at the public utility investment empires, whereby a few individuals through the pyramiding of company on company, one company owning the stock of the others, were able to realize a substantial profit on a relatively small investment. The Insull empire would be a notorious example. Those on top the pyramid controlled through this device, with

interlocking directorates, the operating company forming the base.

The passage of this legislation would bring an end to these financial manipulations. Those who profited by the holding company device were called economic royalists, and those who conceived the proposed legislation were called the brain trust. The question that confronted the Wall Street barons, as they were derisively called, was how to create a public opinion to which the Congress would react. It is no easy matter to get people interested in, much less vigorously expressing their opposition to, a complicated financial investment measure of this character.

But it was done, and it was done with a slogan behind which were rallied in a well financed, highly organized campaign, everyone who owned a single share of stock of any kind in a public utility. Even people who didn't have any such investment joined in the campaign.

The public utility interests, doubtless well advised by some members of your advertising profession, seized upon a provision in the bill, that was really the heart of the measure, and labeled it the death sentence clause. It was represented as being a bill which would destroy the companies in which you have invested, make your investment valueless, and destroy the hard-earned savings of the people.

Letters and telegrams poured into the offices of Members of Congress, urging, appealing, demanding that we vote against the "death sentence clause." Many, if not most of those who wrote knew very little about the bill itself, not even its title. All they knew was that they were against the "death sentence clause." It would hurt them. It would hurt the little man. It would deny the elderly their old-age income. It would discourage anyone investing in our country's future. It would retard free enterprise. It was a sentence of death to everything we here in America stand for.

A Senate committee held hearings to expose those conducting the campaign against the "death sentence clause." Sam Rayburn, then Chairman of the Committee on Interstate Commerce, who guided this highly controversial bill through the House, became "the man of the hour," so to speak. He later became Speaker, as you know. The Member of Congress from Pennsylvania who brought to public attention that many of the telegrams were fraudulent, and exposed the utility interests, lost his seat in Congress in the next election as a result of a well financed and organized campaign against him as a reprisal.

This is but illustrative of the power of a slogan in the legislative processes. It also gives you some idea of the problems that confront a Member of Congress in seeking to do what he considers right and, at the same time, reflect the view of the people he represents.

Another example, and one with which most of you are no doubt familiar, is the legislative battle over the Taft-Hartley Act. It was characterized by the labor union leaders as a slave labor law. If you were to ask the average workman to tell you in just what way the bill would make him a slave or deny him any rights, he couldn't tell you. Nor could the labor union leaders point to a single section of the bill that would deny labor its rights. And yet many a battle was fought in the political arena over a slave labor law which, as it turns out, is actually labor's bill of rights.

It goes without saying that labeling and packaging—what you call a product and how you dress it up for display in the store window, the showcase or for sale on the supermarket shelf—is rudimentary in marketing and advertising. As you alert ladies of the advertising profession are aware, there

are a number of bills pending in the Congress dealing with labeling and packaging. I do not know how far these measures go, but I do not want the American schoolboy of today being denied one of my boyhood pleasures of discovering the prize in the box of Cracker Jack.

If you require putting on the label what the prize is in the Cracker Jack box, something will pass that was American. And this possibly is a point I think should be made to the committee members handling product labeling legislation.

If we are going to legislate in this area, I think it would be helpful if we require all prices above \$100, let us say, be stated in even dollars. It would be much easier for everyone, particularly for the party writing the check, if the price of the used car were an even \$2,000 instead of \$1,999.98. Perhaps an even better idea for legislation in this area would be to require the price to be stated before taxes and after taxes. Such a requirement would certainly be helpful to us Republicans in our efforts to make the American electorate budget conscious and tax conscious. This income withholding tax procedure has hurt our cause.

But, quite seriously, just as labeling is important in securing public acceptance of a product, it is important in the field of legislation. Much ado has been made about the public not knowing from the label what the package actually contains. And I tell you from my own legislative experience that bills are enacted that might not otherwise be enacted were it not for its title. Not infrequently the title of the measure is misleading—deceptive, if not actually fraudulent.

Let me give you an example. You will recall that following the launching of sputnik by Soviet Russia, there arose a great hue and cry from the party out of power about how our missile program had been so seriously neglected, which, however, was not true in fact. Throughout the country there was an atmosphere of hysteria. We must do something to develop scientists, engineers, mathematicians, linguists, that we may insure our defense security for the future.

And so, the National Defense Education Act was expeditiously enacted by the Congress. Who would risk his political future by voting against a measure to assist in developing scientists so necessary to our national defense? To do so would be voting against both education and defense. Politically, that would be like voting against God and motherhood.

So now we have on the books what is known as the National Defense Education Act. You can imagine how startled I was when, upon looking over a list of the university fellowships awarded under this act, I found that comparatively few were for the advanced study of mathematics, or engineering, or chemistry; and that most of them were for the study of such subjects as church music, comparative religion, comparative literature, Buddhism, Mohammedanism, philosophy, world history, poetry, and so on.

Those are interesting subjects, to be sure. But I cannot for the life of me see what relationship they have to our national defense. Nonetheless, this is the education program being carried out under what is labeled the National Defense Education Act. If we change the label—if we change the title so that it described accurately what the bill really pertained to, that the people would know just what this legislative package contained—I think there would be considerably less support for this Federal expenditure of the taxpayers' money.

Let me conclude with just one thought. It is an informed public opinion that makes the wheels of democracy turn. You in your profession, and I in mine, as a Member of Congress, are in this important work. Ours

is a representative form of government. Each individual Member of Congress actually speaks only for the people who sent him to Congress to speak for them. Each Member must, therefore, consider not only what he personally may feel is the best course to pursue, he must take into account the sentiment—the wishes and wants—of the people he represents. Public opinion on a national level may be quite different from the public opinion in some one congressional district.

Thus, while a Member of Congress necessarily reflects public opinion, as he should, he also must mold public opinion. He must not simply be a follower. He must also be a leader.

And let us always remember these words of John Stuart Mill: "If all mankind minus one were of one opinion and only one person were of the contrary opinion, mankind would be no more justified in silencing that one person than he, if he had the power, would be justified in silencing mankind."

My best wishes to all of you. And my heartiest congratulations to Miss Kay Hanson, your wonderful advertising woman of the year.

### Improving Government-Business Relationships

#### EXTENSION OF REMARKS

OF

HON. CARL ALBERT

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1963

Mr. ALBERT. Mr. Speaker, a special supplement of the current issue of the Prentice-Hall Executive Report contains an article written by the distinguished gentleman from Tennessee [Mr. EVINS] entitled "Improving Government-Business Relationships."

The article points out the need for Government-business cooperation and provides examples of the steps being taken by Government agencies and the Congress to bring about this arrangement.

I believe this article by the distinguished chairman of the House Select Committee on Small Business will be of interest to all my colleagues:

#### IMPROVING GOVERNMENT-BUSINESS RELATIONSHIPS

(By JOE L. EVINS, Member of Congress, chairman, House Small Business Committee)

Our economy is moving swiftly both here and abroad. To keep pace with these momentous changes, we must reappraise some of our views.

We should think anew about the relationship between public and private business. There must be a growing partnership. This is no time for pointless division and conflict.

We are confronted with new trade problems with the advent of the European Common Market, the passage of the Trade Expansion Act of 1962 and the flow of goods from the Far East. Our views must be adjusted to meet these changes.

All too often in this century, extremists have pictured our Federal Government as a monster bent upon the destruction of our society. Congress has been maligned and defamed; yet the Congress is a mirror of the public's needs, the public's wants and the public's aspirations. Business itself has been most vocal in its attacks upon the Executive and the Congress. American in-

dustry and business at times also has been the object of attack.

Certainly this Nation has matured to the point where we can and should lay aside bickering and recrimination and get down to the business of doing business.

On a number of occasions the President has said that the Federal Government and business should work together in harmony and cooperation and in partnership in a joint enterprise.

This certainly does not mean that all of the cooperating must come from business. The various branches of Government also must play a major role to insure that the Government-business partnership will be an effective means by which the economic potential of our country will be realized.

The legislative branch of Government shares a great responsibility in bringing about a fuller understanding of what the Government's role will be in this partnership.

There is no doubt that over the decades there has been a growing amount of regulation and organization. This is due to the growing amount of specialization and complexity of our economic structure plus its accelerated tempo. Congress has been called upon to enact legislation of a positive nature in a wide area and range to assist business in the overall public interest. The business community has not always accepted this assistance with enthusiasm. A better understanding of this partnership is needed.

Initially, the banking fraternity sharply opposed the creation of the Federal Deposit Insurance Corporation. But today, bankers consider the FDIC as a stabilizing influence on their activities. Indeed, they advertise boldly and proudly that their deposits are insured by FDIC.

#### GOVERNMENT POLICING NEEDED

Certainly there is a continuing need for a certain amount of policing by the Federal Government. In some instances it has become necessary to issue regulations curbing certain practices because of the actions of a few irresponsible members of an industry.

In retrospect, it cannot be fairly said that this legislation and these regulations have retarded our growth and development. We have developed the greatest and most vibrant economy of any nation in the world. We are the envy of our allies and of our adversaries. All this has been attained within the general framework of free enterprise with due regard to the public interest and protection.

As chairman of the House Select Committee on Small Business it is my belief that our free enterprise system must be preserved and extended and that the public-private partnership concept can and should be accelerated.

Congress and the executive branch can be helpful to business. And conversely, business can be helpful to the Congress and to the departments and agencies of the Federal Government by coming forward with their particular ideas and suggestions for solving various problems that face industries and government.

Congress is called upon to consider legislation that will assist business in overcoming obstacles to growth and prosperity. Proposed legislation is considered by appropriate congressional committees. Public hearings are held to determine whether the particular legislative proposal is needed and will have the desired effect. It is at these hearings that the representatives of business, Government, labor, farmers, consumers and the public generally have an opportunity to express their views and to suggest changes and amendments which, in their view, will strengthen the bill under consideration.

It is not necessary to come to Washington, or to hire someone to lobby for your views. A letter or postcard to your Congress-



man or Senator is enough to show your interest. But, if you do come to Washington, you will find that Members of Congress—and their staffs—are accessible.

Our Small Business Committee membership has always sought to serve, encourage and promote American small business in the hope that in due course it will become big business. The concept of our committee is that what is good for small business, generally, is good for all business, and good for the public at large. Our committee is not against big business as such; it is rather pro small business.

#### TAX AND TRADE HELP

We have promoted tax policies and trade policies favorable to small business. We have worked to secure a greater share of Government defense and other contracts and subcontracts for small business. It is my expressed hope that we may be able to serve American small business generally and in a broader field by encouraging and guiding small businessmen to enter into export trade—thus expanding American business and helping to improve our balance-of-payments situation. We must continue to do this in the light of the quickening changes of the times.

In promoting this public-private partnership, we should consider what the various agencies of the executive branch of our Government are doing and can do to be of assistance. Many businessmen are not aware of what is available, just for the asking.

I wish to mention two agencies in particular—the Department of Commerce and the Small Business Administration.

#### ROLE OF THE SBA

The Small Business Administration was created in 1953 on a temporary basis to promote, stimulate and assist small business firms in both foreign and domestic commerce. By 1958, SBA had proved so necessary and effective that the Congress gave it permanent status.

One of the functions of the House Small Business Committee is to review the operations of the Small Business Administration. My committee recently, during extensive public hearings, received a comprehensive report from Mr. John E. Horne, SBA Administrator. His report made several impressive points, illustrating how effective the Small Business Administration has been in carrying out the mission assigned to it by Congress.

The Small Business Administration—with a loan authority of \$1.5 billion—cooperates closely with banks in making financial assistance available to small business.

As fresh evidence of the determination of SBA to cooperate with the Treasury Department and to encourage the private banking industry to help itself and at the same time help small business, a regulation has recently been issued authorizing commercial banks holding Small Business Administration deferred participation loan certificates to use them as collateral for Government deposited funds. As Mr. Horne explained, the Small Business Administration's role is to supplement the private credit available to small business and "to lead the way in demonstrating the term loans and other sound loan innovations are of positive economic value to the local community."

The legislation enacted by Congress that created the Small Business Administration requires that agency to insure that a fair proportion of Government contracts are placed with small business.

#### SMALL BUSINESS SET-ASIDES

In fulfilling this assignment SBA cooperates closely with other Government departments, and as a result, there has evolved a set-aside arrangement whereby a substantial portion of Government procurements may be purchased only from small business concerns.

By act of Congress, SBA also is empowered to protect a small business concern that has submitted a low bid on a Government procurement. For instance, if the mailman who brings the mail to your residence rides a little scooter, the chances are that this little scooter was made by a small business firm whose low bid initially had been rejected because of an apparent lack of ability to perform. SBA inquired into the matter, however, and found the small business firm to be fully capable of delivering on schedule. As a result, the procuring agency was required to accept the bid and award the contract to the small business firm.

This proceeding is doubly beneficial. It helps the small business manufacturing concern and it helps the taxpayer. It demonstrates good government in action.

Savings to the taxpayers of at least \$4.5 million were directly attributable to this program for fiscal year 1962. These savings, in procurement costs to the Government, which represent the difference between the small business' low bid and the amount of the next highest bid, more than covered total annual administrative costs for all of SBA procurement and technical assistance programs.

Another important development associated with this SBA procedure rests in the fact that although SBA has reversed the procuring agencies in many instances, experience shows that SBA has been right 97 percent of the time.

The Department of Commerce is primarily concerned with the promotion, encouragement and stimulation of commerce and trade, both domestic and foreign. Within the Department there are specialists in every field of business activity. They are able men who are dedicated to the promotion and improvement of American industry.

#### COMMERCE DEPARTMENT ROLE

Of special significance at this time is the determined effort being made by the Department of Commerce to increase our export trade and thereby give a major assist to halting the outflow of gold from the United States. There has been created within the Department a special branch to deal with this problem, and industry is being encouraged and urged to engage in export trade.

The impetus behind the drive for greater export trade markets stems from the passage of the Trade Expansion Act. This legislation has the support of such diverse groups as the U.S. Chamber of Commerce, the AFL-CIO, and many farm organizations. The Bureau of International Business Operations and the Bureau of International Programs, both in the Department of Commerce, are primarily responsible for promoting foreign trade and are doing much in this field. These facilities of the Department of Commerce are available to all classes of business, regardless of size.

#### WANTED: EXPORT ADVICE

In the export expansion drive, the Government is pleading for advice from business. In a recent speech, Mr. Eugene M. Braderman, Director of the Department's Bureau of International Commerce, asked businessmen to write detailed briefs on their difficulties in export trade. He pointed out that these facts were essential to the Government as it moves into negotiation under the Trade Expansion Act. This is an example of the interdependence of Government and business. It is one facet of the partnership that needs recognition.

All American businesses—whether large or small—have a very high stake in the future of international trade. Some may talk about a rising tide of foreign trade. But there is also a rising tide of foreign competition. I urge business management to participate more actively in this competition for foreign

trade. It should be pointed out that Government provides many programs of assistance. For instance, the United States operates three Trade Centers abroad—in London, Bangkok, and Frankfurt. A fourth has just been opened in Tokyo. In these centers, the products of different American industries are displayed. The Department of Commerce supervises these exhibitions.

#### SBA INVITES EXHIBITS

The Small Business Administration, through its Foreign Trade Division, has invited more than 1,000 small manufacturers to exhibit their products. The types of products exhibited include toys and games; automotive service and maintenance equipment; industrial instruments and laboratory apparatus; small farm machinery and irrigation equipment; and business machines and office equipment among others.

Our Government is also sponsoring trade missions consisting of groups of business specialists who have volunteered to carry specific business proposals to international markets. Upon their return, the mission members discuss trade and sales opportunities which the mission has developed abroad. The Small Business Administration encourages small business concerns to participate in this program by becoming mission members and by submitting business proposals.

Another aspect of Government-business cooperation is exemplified in foreign trade fairs. The United States will be represented this fall in commercial-type fairs in such diverse places as Turkey, Greece, Czechoslovakia, Yugoslavia, and West Berlin. The Commerce Department's Bureau of International Commerce has full information about such events. This is available on request from the Department.

#### FREE COUNSELING

Our Government is also providing free counseling assistance to private business with regard to foreign trade possibilities. For example, last year, a St. Louis firm with 27 employees, was assisted in a joint endeavor by the Small Business Administration and the Department of Commerce. The firm manufactures firetrucks and firefighting equipment. It purchases truck chassis and builds firetrucks with all the necessary components. The businessman concerned was hesitant about entering the export market, but was persuaded to mail out price lists and brochures. The firm has since made sales in Lima, Peru; Damascus, Syria; and Bangkok, Thailand. In addition, the company participated in a trade fair and now has an agent in Peru. This is an example of what can be done in the export trade in partnership with Government.

Over a span of years, there have been areas of disagreement between Government and private business and undoubtedly there will continue to be some areas of disagreement. However, business and Government must work for more areas of cooperation and accord and a better partnership in the interest of both. In our new horizon, we should look forward to a patient public-private partnership, with peace and cooperation and prosperity for all.

#### Independence of Jordan

#### EXTENSION OF REMARKS OF

HON. ADAM C. POWELL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1963

Mr. POWELL. Mr. Speaker, on May 25 Jordan will celebrate the 17th anniversary of her independence. On this

memorable occasion, I wish to extend warm felicitations to His Majesty King Hussein of the Hashemite Kingdom of Jordan; and His Excellency, the Jordanian Ambassador to the United States, Saad Juma.

The Hashemite Kingdom of Jordan gained its independence on May 25, 1946, after the culmination of many years of gradual autonomy. Great Britain, as advisory power, had been in control since World War I when the then-called Transjordan fell under its sphere of influence. As a part of the Ottoman Empire, the people were nomadic and authority rested with the tribal leaders. There was little industry and farming to warrant great interest in the country by either the Porte or British authorities. Within the Palestine towns later occupied by Jordanian forces, home industries, such as needle and silverwork, did exist and were famous throughout the world as artistic treasures.

However, from the beginning of World War I, the people allied themselves with Britain. With the guidance of T. E. Lawrence, the tribes were effective in cutting supply lines and disrupting communication. During World War II, Jordan once more declared its allegiance to the allies when the ruling Prince, Amir Abdullah, pledged himself and his people. It was at this time that the country became important because of its strategic location, its proximity to the Suez Canal and the oil fields of the Persian Gulf.

As an independent Kingdom, Jordan is most noted for its tourism. Much of what is called the Holy Land is now within its borders. The old city of Jerusalem has been contested for centuries for its religious connections. It is the center of three religions—Christianity, Judaism, and Islam. Within its walls, Christians may visit the Mount of Olives, the Via Dolorosa, and the Holy Sepulcher. A Jew may search for and find the ruins of Solomon's Temple and David's Tomb. And the Muslim may pray within the confines of the mosque of the Dome of the Rock, the third most sacred place in all Islam.

To the lovers of antiquity, Jordan offers a more fertile area of study in the south. The magnificent city of Petra, carved from the cliffs, is a mute testimony of the grandeur of its ancient past. Situated on the main route between Damascus and Arabia, Egypt and Babylon, the city prospered and became an empire.

The Romans, who were to cause the downfall of Petra, left behind them the ruins of Jerash, one of the best preserved of all Roman cities. Mosaic floors, a columned street, a triumphal arch, the Forum, and other buildings lie exposed to the weather and the discerning eye of the visitor.

Another Roman city is Amman, the capital of the country, the once proud city of Philadelphia. Here can be seen an amphitheater which dominates the entire city, as well as other ruins.

Not all Americans who come to Jordan are tourists. Many have been sent by our Government to help in the development of the country. Our aid projects

provide assistance in the fields of agriculture, industry, transportation, health, education, and community development. We are also helping to finance certain development projects which will, when completed, benefit greatly the economy of the state. One such project is the East Ghor Canal, which will provide water from the Yarmuck River for the irrigation of thousands of acres of desertland.

Another project in which the United States has taken a financial interest is road construction. These new roads will enable agricultural produce to reach quickly the markets while still fresh. They also facilitate the movement of machinery used in the development of the country. Furthermore, tourism has benefited greatly since the discomfort of travel throughout Jordan has been to a large extent eliminated.

The present monarch, King Hussein, has remained a steadfast friend and ally of the United States. Although recent disturbances have left his country less stable than usual, the King continues to pursue his policy of anticommunism and support for the United States. On this their 17th anniversary of independence, I salute the King and the citizens of Jordan on their accomplishments and extend to them the wish for continued progress and prosperity.

### Secretary Freeman Should Take Note of the Northeastern Dairy Problems

#### EXTENSION OF REMARKS OF

**HON. J. ERNEST WHARTON**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1963

Mr. WHARTON. Mr. Speaker, under leave previously granted, I include the remarks which my distinguished friend, the gentleman from New York, Congressman ALEXANDER PIRNIE, made this past Monday during hearings on Federal Milk Marketing Order No. 2 in New York City.

His description of the dairy situation in general and the plight of the farmers in particular is, in my opinion, accurate and his plea that the market administrator recommend an adequate producer return is most worthwhile. In my own 28th District, a similar situation exists, and recent statistics revealing the fact that no fewer than 4,000 dairy farms have closed during the past year in New York State reinforce his contention. Under such conditions, our farm purchasing power is seriously diminished and thousands are thereby forced into the growing ranks of unemployment.

While a solution must be pursued, and the sooner it is found the better off we will all be, I believe that today's sentiment demands less rather than greater intervention by the Federal Government in the farmers' affairs. This week's vote on the wheat referendum is a case in point. The farmer is not ready to accept the logic of the computer as a substitute

for good management and industry. Mr. PIRNIE's testimony:

TESTIMONY OF HON. ALEXANDER PIRNIE, REPUBLICAN, OF NEW HARTFORD, N.Y., AT THE MILK MARKETING HEARING, INVOLVING 10 NORTHEASTERN MILK ORDERS, NEW YORK CITY, MAY 20, 1963

Mr. Chairman, I appreciate this opportunity to appear personally at this hearing involving 10 milk-marketing order areas in the Northeast. I understand that many issues are to be considered but I wish to direct my remarks to the prices now prevailing for reserve milk in the New York-New Jersey marketing area.

At the present time dairy farmers of our milkshed are in danger of losing a substantial portion of their markets due to the present unrealistic pricing of milk used for manufacturing purposes. I propose that appropriate action be taken to meet an emergency situation and to preserve and, hopefully, to increase dairy farm income. My appearance has no other objective and I will leave the technical aspects to others who are better qualified.

In recent months it has become evident that a modification of the class III price is necessary if the market is to be cleared of this milk. It is my understanding that producers and cooperatives are virtually unanimous in their request to modify the class III price by adding a butter-cheese adjustment.

Because of the current price level, proprietary handlers are threatening to refuse milk since they are finding it very difficult to break even—much less make a profit. Moreover, buyers of milk have reduced premiums and hauling subsidies and are refusing to pay handling charges sufficiently adequate to reimburse farmers and their cooperatives for their cost of running country plants. Many plants have already closed, eliminating convenient outlets for producers. Cooperatives have had to accept an increasing quantity of milk. Many dairy farmers have been forced to accept less than the established price and have had to invest in expensive milk-handling facilities.

The dimensions of this problem are great, since slightly over half of the milk production in the New York-New Jersey market is utilized for manufacturing purposes. The situation will be further aggravated on July 1 of this year, when the class III price is scheduled to be increased by 14 cents per hundredweight.

I make no claim to being an expert in the technical aspects of our milk-marketing order, but there are over 4,000 producers in my congressional district whose milk is marketed under order No. 2 and I am reliably informed as to the situation I have described. Dairy farm income has already declined to critical levels and I do not believe it fair to require producers to assume the additional burdens imposed by the current price situation. Moreover, I am confident that the Congress, which has delegated authority for detailed marketing regulations to expert agencies, does not intend that farmers be forced to dump their milk, nor that their cooperatives be required to suffer substantial losses. Therefore, it is hoped that this hearing will result in the establishment of a more realistic price level for class III milk, thereby assuring markets and income for dairy farmers.

Finally, I urge that there be no lowering of class I prices. Such a move would seriously aggravate the already depressed economic circumstances of dairy farmers. A few weeks ago I personally urged the Secretary of Agriculture to defer consideration of fluid milk pricing since the present problem essentially involves the class III price structure. Therefore, I earnestly hope that the class I price will be maintained at current levels.



Address by Hon. Daniel K. Inouye, May 5, 1963, Cornerstone Laying Ceremonies, Albert Einstein College of Medicine, Yeshiva University

# EXTENSION OF REMARKS

OF

HON. ABRAHAM J. MULTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1963

Mr. MULTER. Mr. Speaker, our distinguished colleague in the other body, the Senator from Hawaii [Mr. INOUE], delivered the principal address on May 5, 1963, in connection with the cornerstone laying ceremonies for the new Ullmann Research Center for Health Sciences and for the Einstein College Hospital which includes the Horace W. Goldsmith Pavilion, the David and Irene Schwartz Pavilion, the Charles H. Revson Diagnostic Center, and the Evelyn and Joseph I. Lubin Rehabilitation Center. All of these buildings are presently under construction on the campus of the Albert Einstein College of Medicine of the Yeshiva University of New York.

During the ceremonies at the site a "Letter to the Future" was placed in the cornerstone which reads as follows:

LETTER TO THE FUTURE—THIS IS ADDRESSED TO YOU—THE LEADERS AND BUILDERS OF THE FUTURE

May the hopes, dreams, and aspirations which motivate and inspire us in this building program today become the living realities of your day. May our efforts and dedication to the programs and ideals of the Albert Einstein College of Medicine of Yeshiva University bear fruit in fuller, healthier lives for all mankind. May the dread diseases which cause man so much pain and cut so many down in the prime of life be consigned to medical history as scourges conquered by man's ingenuity. May the generations of doctors and scientists trained at the Albert Einstein College of Medicine and the scientific achievements emanating from its laboratories serve as an enduring testament to our faith in the future, an affirmation of Albert Einstein's belief that there is no higher purpose than service to one's fellow man.

Albert Einstein College of Medicine, of Yeshiva University, cornerstone ceremonies, May 5, 1963.

Mr. Speaker, at the dinner following this impressive ceremony Senator INOUE delivered an address of great importance advocating the establishment by the United States of a Health Corps like our Peace Corps.

His address follows:

ADDRESS BY SENATOR DANIEL K. INOUE

It is a privilege to share in your pride and joy at this exciting new stage in the life of your fine young medical school. Today, when so much strife and self-interest divides whole continents, it is gratifying to celebrate an occasion which brings together people dedicated to the health and happiness of humanity everywhere.

This afternoon, the cornerstone ceremonies heralded the near completion of magnificent new facilities for research and for the care of the sick and disabled. These new hospital and research buildings, as I

understand, mark the completion of your college's grand design for a medical city which will rank among the world's truly great centers for human healing.

Eight years ago, John F. Kennedy greeted the opening of Einstein college with the expectation that it would become a monument of hope and pride to the future health and the happiness of all of its citizens. That prophecy has been fulfilled in a remarkably short time and the college is physical proof of the miracle that can be accomplished by men and women of all races and creeds united by a common concern for all.

Just a few hours ago, a "Letter to the Future" was enclosed in the new buildings, bearing the names of the visionary men and women who are determined that generations to come will inherit a world free of disease and needless suffering than our own. This was a vote of confidence in man's potential to build a more joyous world—an affirmation that we can harness the positive forces of science for life rather than be helpless pawns in a tragic race for mutual annihilation.

It is only fitting that the school which bears Albert Einstein's name should epitomize the life-giving aspects of science. The college has in its short existence already made an impact that reaches far beyond the confines of its metropolitan home. Conceived in the spirit of equality and freedom, it has become an international focus for the exchange of medical knowledge and training.

It is inspiring to read the list of far-flung states and nations of the world at which your graduate doctors and scientists are now practicing. Australia, Peru, Korea, Israel, Turkey, the Philippines, India, my own State, Hawaii—these are only a few of the scores of places across the length and breadth of the globe at which your faculty and student members are serving.

We of Hawaii have firsthand evidence of the skill and humanitarianism of your graduates—several of whom now serve with distinction in Queens Hospital of Honolulu.

During the past year alone, the college was home to more than 50 foreign scholars from 30 countries throughout the world. Soon they, too, will return to their native countries or move on to new posts in foreign lands which desperately need their skills. This is a new kind of international exchange—not of commodities, or capital—but of human resources which can be one of the major bridges of understanding between nations of differing beliefs.

We Americans have a long tradition of lending a helping hand to people less fortunate than ourselves. We have, for example, since the end of World War II, given billions of dollars to scores of nations. Such foreign aid is, of course, essential for these newly developed nations. But economic underdevelopment is not the only factor that separates the affluent nations from the poverty-stricken masses of the world.

Less apparent to Americans perhaps are the woeful medical inadequacies which are the daily lot of billions. So long as this terrible imbalance of health exists—so long as men, women and children are deprived of the most elementary health standards—so long will the smoldering flames of conflict remain to be fanned into active antagonism in a world divided.

Here, for example, are some of the appalling statistics of the gap in health standards that separates the more fortunate parts of the world from its less fortunate neighbors:

1. While the life expectancy of the average American is 67 years, a new born Asian can look forward to a life expectancy of less than 40.

2. While we in the United States have for the most part brought infectious diseases under control, millions in Asia and Africa suffer and die each year from dysentery, in-

fluenza, sleeping sickness, yellow fever, and typhoid.

3. Two-thirds of the world's 2.7 billion people are still without the most rudimentary health services such as clear water, plumbing, sewage, vaccination.

4. In the underdeveloped areas, virtually whole populations suffer from childhood endemic diseases like cholera, leprosy, and smallpox which in our land have been relegated to the status of "textbook cases."

5. We in America can boast of 1 bed for every 100 persons. Yet in India, there is a hospital ratio of 1 bed for every 3,500 people.

This gap, as we see is truly staggering. In this age of medical miracles millions die from diseases which long have been mastered in the laboratory.

At a time, when a revolution in the biological sciences offers unprecedented opportunities for longer life, millions of people still believe that sickness and early death are immutable fates. You here who have visited Africa, Asia, or the Middle East, have seen for yourself these appalling statistics translated into terms of human suffering. Paradoxically, however, this contrast between medical promise and the world's actualities suggests an area of agreement between opposing camps that could well show the way to peaceful solutions. Indeed unless and until our war driven world is able to find common ground for the positive use of the astonishing discoveries of science, we stand every chance of seeing science mobilized for the future extinction of life itself.

We know that the constitution of the World Health Organization of the U.N. guarantees "the health of all people as fundamental to the attainment of peace and security." Each of you here, through your association with Einstein College, has given evidence of your belief that every man has the inalienable right to freedom from disease, as he has to the other freedoms guaranteed in the charter of the U.N. and our own Constitution.

The example of medical institutions, such as yours—in acting as an international training ground for health practitioners—points to the way in which the advanced nations have begun to meet their responsibility to the entire world.

Many other medical schools, private institutions, Government agencies, and U.N. groups are currently engaged in serving the world's health needs on a relatively large scale. But we are still merely scratching the surface of the world's health problems. We can no longer afford the luxury of piecemeal efforts or mere guerrilla warfare against disease. The time is ripe for a massive retaliation of all nations against disease and needless suffering. Programs of such scope and significance are expensive—indeed running into millions or billions of dollars—and we understand full well the difficulties that stand in the way of organizing and administering a global war against disease.

Nevertheless, our Nation can act as a catalyst in speeding such worldwide health efforts, much as our Peace Corps is doing its fine job of hastening the industrial progress of underdeveloped nations throughout the world.

I therefore want to put forward the following proposals by which our Nation can help to equalize the world's health imbalance:

1. I propose that our Nation's medical universities, along with our private philanthropic institutes—and in cooperation with the Government health agencies, should call a conference for the purpose of setting up a Health Corps along the lines of our existing Peace Corps.

2. The purpose of the Health Corps would be to send teams of scientists, physicians, nurses and medical administrators to those nations of the world which would request our help.

3. Once established in a specific area, these Health Teams in collaboration with that nation's own health authorities, would lay plans for short- and long-range programs, for the construction of vitally needed training and research and hospital resources.

4. These Health Teams would be drawn from private doctors and scientists in the United States and from undergraduate and graduate personnel of the Nation's medical schools, who would volunteer to spend their period of elective study, their internships, or residencies in the foreign nations involved.

5. The U.S. Health Corps would, of course, act in conjunction with the World Health Organization of the U.N. It might invite the participation of health teams from other nations, so that ultimately the Health Corps would become an international agency for promoting health throughout the world.

6. The Health Corps would be in a sense self-liquidating. That is, it would aim at eventually bringing the health standards of each of the member nations up to the point where they would be capable of meeting their own basic health needs.

7. The Health Corps would seek the advice, aid and experience of the World Health Organization so that the efforts of both would be pooled in solving the complex problems that exist.

This proposal is only one of the ways in which our Nation's unlimited potential for saving and prolonging life could be extended to other areas of the world. It would, in my opinion, also serve as a vital link in binding together the people of the world in a crusade that would transcend any and all dividing interests which now exist at the level of narrow nationalism.

Your presence here, as friends and founders of the Albert Einstein College of Medicine, attests to the deep concern which you have for a better and happier physical life on this earth. Your "Letter to the Future" is written not merely in words but in your generous support of the splendid new halls of healing and research in which that letter is forever enclosed.

In the future, I am certain those of the forthcoming generations who will have benefited from your courage and concern will read in it a testament of man's humanity to all of the members of the human race.

### From England Came a Great Texan

#### EXTENSION OF REMARKS

OF

#### HON. WALTER ROGERS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1963

Mr. ROGERS of Texas. Mr. Speaker, yesterday a most distinguished citizen of Texas celebrated his 85th birthday anniversary. He is Mr. Montagu Kingsmill Brown of Pampa, Tex., who, on April 30, 1963, celebrated the anniversary of his 60th year in the Lone Star State.

Montagu Kingsmill Brown, affectionately known to his friends young and old as "M. K.," was born in Eastcote, Middlesex, England, on May 22, 1878, the 7th child of 12 born to Margaret Kingsmill and Thomas Davy Brown. He attended traditional English schools where, in addition to academic courses, he studied music and manners and, among other subjects, how to sit a horse properly—an accomplishment

which was to be useful to him in later life.

After completing his education, M. K. went to work in a London bank. Agriculture interested him, and as a young banker he dreamed of leaving England to take up farming in Australia or Canada.

In 1899, the Boer War started in Africa. Queen Victoria sent out a call for recruits. Thus presented with an opportunity for travel and adventure, young M. K. Brown enlisted in early 1900 as a cavalry trooper in the Yorkshire Yeomanry. During distinguished service in Her Majesty's Royal Cavalry in Africa, M. K. rose to the rank of regimental sergeant major. When the war ended in 1902, he returned to the London bank but, after tasting adventure in Africa, found the banking career unsatisfying. The enterprising M. K. Brown landed a job with the English-owned White Deer Land Co. in far-off Pampa, in the Texas Panhandle, and booked freighter passage to the United States, thus beginning a long love affair with his adopted country.

M. K. Brown's ship docked at New Orleans on April 26, 1903, and there he boarded a train for Texas. On April 30, 1903, he stepped off the train onto the vast plains of the Texas Panhandle. He was home.

During his early years in the Panhandle, M. K. Brown worked in all phases of the land and cattle business—as a surveyor, bookkeeper, secretary, and general troubleshooter for his company. The record shows that his civic and community accomplishments began early in his Texas residence. He was elected Pampa's second mayor; he was a member of the first band organized in the Panhandle; he was the driving force behind early cultural, civic, and religious achievements in the Pampa area.

From the time of his christening in the Church of England Parish Church in Ruislip, England, M. K. Brown was a devout and active member of the Episcopal Church. He helped from his arrival to provide a Christian atmosphere in Pampa. In the absence of a duly ordained minister, he conducted the first Christian funeral service in Pampa.

On August 30, 1922, M. K. Brown married Miss Josye Barnes of Pampa. If, in the nearly 20 years he had been in the United States his English relatives still had doubts about his plans to remain, certainly his marriage to this lovely Texas girl was final proof that he loved everything about Texas. Mr. and Mrs. Brown made many trips back and forth to England before World War II but, as much as he loved the land of his birth, his roots remained firmly planted in Texas soil and he was never tempted to return to his native land.

Through the years M. K. worked diligently for community improvement. It would require pages to list the activities, organizations and individuals he has helped and supported by personal effort or financial assistance, or both. Perhaps no man has given more of himself to the development of the Texas Panhandle than M. K. Brown. M. K. has provided aid to the building of churches

of all denominations, to hospitals, to education. He has helped countless young persons with their education. The Boy Scouts and Girl Scouts are his devoted friends and admirers.

M. K. Brown's untiring efforts have resulted in making his home community and his adopted country a better place in which to live. Although he has become a true Texan in every sense, an aura of his English background still is to be found in his habits, his manners and his speech. His manners have the flavor and gallantry of the Old World; he is still a great walker, covering at least 5 miles of walking every day of his life, and his military training is still evident in his gait and his erect posture. He has a quick wit, and his speech is a fascinating mixture of Texas twang and British clipped cadence.

Shortly after he "retired" in 1938 he and Mrs. Brown started dividing their time between their homes in San Antonio, where he still spends his winter months—although Mrs. Brown has passed on—and Pampa, but he has always considered Pampa his home and retirement is a word that means little to him. He has remained active in the life of each city, active in business and civic affairs.

I have known M. K. Brown for many years and I consider him to be a loyal friend and fine Christian gentleman who truly cares for his fellow man. He loves his adopted country and the institutions which have brought the United States to greatness. In his dedication to Texas, M. K. Brown recently provided funds necessary to publish a set of six volumes of the State's early range history.

The people of Texas and of the United States owe this fine citizen a debt of gratitude for the wonderful contributions of his life's dedication, energy and resources. It is with great pleasure that I wish M. K. Brown a happy 85th birthday and wish for him many more of them.

### Treasury Secretary Dillon Discusses Both Debt Limit and Tax Cut Before University Awards Dinner

#### EXTENSION OF REMARKS

OF

#### HON. VANCE HARTKE

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Thursday, May 23, 1963

Mr. HARTKE. Mr. President, just yesterday, Secretary of the Treasury Douglas Dillon discussed both the proposed tax program of the administration and the ceiling of the national debt limit at the University of Connecticut's sixth annual Loeb Awards presentation affair in New York City.

Because the Treasury Secretary's remarks are timely, they are worthy of consideration of my distinguished colleagues, and I therefore ask unanimous consent that the text of Secretary Dillon's speech be printed in the Record.



There being no objection, the address was ordered to be printed in the RECORD, as follows:

REMARKS OF HON. DOUGLAS DILLON, SECRETARY OF THE TREASURY, AT THE SIXTH ANNUAL UNIVERSITY OF CONNECTICUT LOEB AWARDS PRESENTATION LUNCHEON

I am delighted to take part in the presentation of the Loeb Awards for distinguished business and financial journalism. It gives me an opportunity to pay tribute both to my friend, Gerald Loeb, who founded these awards, and to their recipients, who can take justifiable pride in this recognition of their excellence in the practice of a demanding craft.

I have had considerable opportunity to observe newsmen at work, both at home and abroad, in the most difficult and sensitive of fields. I have a high regard for them and for the skills they employ in the public service.

Those skills are particularly needed in economic and financial reporting. To achieve and maintain a clear perspective on complex economic problems is difficult enough. To do so when these matters become major political issues—hence subject to the distortions of partisan debate—requires not only intelligence and judgment of a very mature order, but an extremely comprehensive background as well.

I am well aware how difficult it is to gather and understand economic facts—let alone interpret them—when the facts themselves are constantly changing. For, in the fluid and intricate economic picture, appearances can be deceiving—and foresight must rely heavily upon a hindsight that is itself often elusive and uncertain. As a result, sound and imaginative evaluation of national economic policy is extraordinarily difficult. With this in mind, let me examine briefly with you today some areas of economic policy in which I have direct responsibility.

The most urgent economic business before this Nation is the President's tax program. It has quite naturally dominated the public discussion of economic matters. That discussion has inevitably brought forth disagreements and misconceptions about the program. But it has also served to strengthen the widespread consensus among all segments of our society that the President's principal proposal—substantial tax reduction this year—is our best hope of accelerating the forward pace of our economy. Let me recall some of its main features:

The President has proposed a cut in the corporate tax rate from 52 to 47 percent to supplement last year's 7 percent tax credit for productive new investment and the liberalization of the rules and procedures governing tax treatment of depreciable equipment. Those two measures reduced business taxes by \$2.5 billion a year. The proposed five-point corporate tax rate reduction would cut business taxes by another \$2.5 billion by the time the program is fully in effect. This total of \$5 billion would give business 40 percent of the overall tax reduction, provide a strong and continuing stimulus toward accelerated economic growth, and increase the profitability of new business investment by almost 30 percent.

The effectiveness of last year's tax changes on capital investment is impressive indeed. The latest McGraw-Hill survey of capital spending estimates that expenditures for plant and equipment in 1963 will rise to \$40 billion from a level of just over \$37 billion for 1962. Last year's tax reforms are responsible for at least 43 percent of the increase.

But the whole job cannot be done solely by stimulating business investment. No company will produce more goods without markets to absorb them. And the best way to assure those markets is to increase consumer purchasing power. The President's

program would do that by reducing personal income tax rates from the present range of 20 to 91 percent to a much lower range of 14 to 65 percent. Such a cut in individual tax rates, combined with the proposed corporate rate reduction, would total \$13.6 billion. When the various structural reforms that have been recommended are taken into account, the net reduction would amount to \$10.3 billion.

The impact of that overall cut would be felt much quicker than most people realize. If the President's program were to receive final approval by October 1, over \$10 billion would be released into the economy within the following 15 months—and some \$8 billion of that amount would represent increased consumer purchasing power. The stimulus of a \$10 billion tax cut would not stop there. For example, the Joint Economic Committee of the U.S. Congress had estimated that it would eventually increase our annual gross national product by \$40 billion.

Those, then, are some of the main features of the President's tax program. As an inevitable result of the legislative process, that program will be somewhat revised by the time the tax bill emerges from the House Ways and Means Committee some weeks hence. However, I am confident that the bill the committee reports out will be one that we can all support wholeheartedly.

Thus far, much of the discussion on tax reduction has centered, not on specific tax proposals, but on expenditure control. If the heat of that discussion has sometimes obscured the facts, I think they are now beginning to come through quite clearly—including the fact that an exceptionally large portion of the expenditure increases during this administration has occurred in the areas of defense and space.

One particularly enlightening comparison shows that, leaving aside only defense and space, all other governmental expenditures in the 3-year period 1958-1961 increased by \$800 million more than they will in the first 3 years of the present administration. That comparison shows, cogently and unanswerably, that this administration has continually exercised a firm control over expenditures. And it offers the strongest possible endorsement of what is by far the most significant fact in the present discussion of tax reduction and expenditure control: the President's repeated commitment that, as the economy expands in response to tax reduction and Federal revenues increase, a substantial portion of those increased revenues will be used to reduce and eliminate the current deficit.

Last week, this issue of expenditure control was raised in an old and familiar context—when the House of Representatives debated the proposal to raise the temporary debt limit between now and the end of August, and once more brought a hardy perennial to the forefront of the news. As that debate made clear, there are few areas of fiscal policy as much in need of more, light and less heat as the debt limit. I should like to try to supply some needed light:

First, let no one labor under the delusion that the debt ceiling is either a sane or an effective instrument for the control of Federal expenditures. No one is more conscious than I of the need to keep Government spending under firm control. But this cannot be done by trying to exert controls at the tag end of the expenditure process, when the bills are coming due. The debt limit is not and can not be made a substitute for the control of expenditures at the decisive stage of the expenditure process—when the funds are being appropriated.

Second, since the executive branch cannot refuse to pay the bills incurred in carrying out the programs approved by the Congress, the only alternative is simply to delay pay-

ing them. That is exactly what happened in 1957, when an unrealistic debt ceiling forced the Executive to defer payment on its bills. No expenditures were cut back; they were simply postponed and Government contractors had to wait for their money. The unhappy economic effect of that unrealistic 1957 debt ceiling—in combination with other restrictive fiscal measures—needs no retelling here. But anyone who recalls the lesson of 1957—the year from which we date the pattern of slow economic growth which the President's tax program is designed to alter—is not likely to forget it.

Third, the temporary debt limit approved last week by the House, and currently before the Senate, would provide the absolute minimum levels needed by the Treasury for the proper management of the Federal debt and the Treasury's cash balance. These limits—\$307 billion through June, and \$309 billion throughout July and August—are tight, so tight that they provide little or no room for meeting unforeseen contingencies. The Treasury can attempt to operate within these limits only because it is likely that our expenditure estimates for so short a period will be reasonably accurate and our revenues are unlikely to fall below estimated levels. In addition, since Congress will be in session until some time in the fall, we could always obtain new debt limit legislation, should it be necessary, without having to call a special session of Congress.

And fourth, should we be required to operate between now and the end of August under the present debt ceiling of \$305 billion, it would no longer be possible to handle the finances of the U.S. Government in a prudent and responsible manner. We would be forced to resort to an array of unusual financial procedures of the sort which had to be used in 1957-58—procedures which, in the end, would only add to the burdens of the taxpayers of this country. A \$305 billion debt limit would also deprive us of one of our most important tools for keeping our short-term interest rates competitive with rates abroad: the ability to add to the market supply of short-term Government securities when the occasion demands. The timely use of this technique has undoubtedly helped reduce the outflow of short-term funds throughout the past 2 years by many hundreds of millions of dollars. It is no exaggeration to say that part of the price of an unrealistically restrictive debt limit would have to be paid in gold.

Those are but a few examples of the havoc that can be wrought in the name of fiscal responsibility. I think they make it obvious that the debt ceiling is not only the wrong instrument to use in attempting to control Federal expenditures, but that an unduly restrictive ceiling could place this country in an untenable fiscal situation. I suppose it would be unrealistic to expect that the seasonal storm over the debt limit through which we are now passing will not deluge us in future years. But I do hope, for the sake of fiscal sanity and prudence, that its intensity may clear the air and generate some fresh and lucid thinking about the whole question of the debt limit.

Another vital, if less incendiary, problem that is now receiving considerable attention is our balance of payments position. More specifically, some in this country have recently expressed concern over the adverse impact on our payments balance of foreign borrowing in the U.S. capital market, and have suggested that through one means or another, we make access to our market more difficult or more expensive.

Unquestionably, a large amount of money is being raised in our capital market by borrowers from countries which enjoy healthy surpluses in their own payments position. That is natural enough, since foreigners can find in our financial market what they often lack in their own: unmatched facilities and

resources, and freedom from excessive government regulations. It is a market in which both borrower and lender can operate with maximum efficiency and minimum difficulty.

Although foreign borrowers undoubtedly contribute to our payments imbalance, it would be a shortsighted solution indeed if we were to make the facilities and resources of our capital market less available to them. The real solution—as I urged more than a year ago in Rome—is the development of capital markets in Europe and elsewhere that are better able to meet the needs of their own nationals, and that are more accessible to borrowers from other countries as well. That calls for removal of existing government restrictions, enlargement of capital resources, and improvement of facilities to increase the efficiency of doing business.

I am glad to say that some progress in this direction has been made and that more can be expected. But the development of markets more comparable to ours will take time. Meanwhile, there is every reason to maintain free access to our market, so that it can continue to function as an important part of the international payments system.

It is not enough, however, to encourage progress in improving markets abroad. We must equally encourage the participation of foreign capital in our own market. If we take full advantage of the possibilities of attracting foreign capital—as borrowers are now attracted—we can offset to a great extent the outflow of funds from the sale of foreign issues here.

We would, for example, like to see underwriters in this country seek actively and energetically to put the highest practicable proportion of their new foreign issues into the hands of foreign subscribers. Moreover, in order to give more foreign subscribers a greater opportunity to invest in these issues, we would like to see more of them publicly marketed, rather than privately placed.

When issues are privately placed—and private placements accounted for more than half of the new foreign issues in our market last year—they are offered almost exclusively to U.S. investors. Last year, for example, almost all of the Canadian and Latin American issues, which together accounted for a large part of the foreign use of our market, were private placements.

On the other hand the buyers of publicly placed new foreign issues are by no means all Americans. Last year foreigners purchased more than one-third of the publicly offered foreign issues. The willingness of foreigners to purchase new foreign issues in our market reflects the attractiveness of our facilities to both borrowers and lenders. Because of that fact, we have every reason to strive to develop and exploit our techniques for selling not only goods, but also securities, to foreign buyers. We have undertaken a great drive to expand our exports—a drive that is imperative if our receipts from exports are to meet the irreducible cost of our defense and aid commitments abroad and match the outflow of American long-term investment. We need an equally determined drive by the financial community to sell its very unique range of products.

This, then, has been a brief look at some aspects of the current economic scene. The outlook for the future no one can predict with certainty. But I think most of us will agree that the signs are generally favorable.

In the short run, our economic picture looks bright, but not perhaps so gloriously rosy as some would paint it. Our present economic upturn is heartening. A number of economists, after scrutinizing the latest pattern of the indicators, and paying particular attention to the rising level of capital investment, are hoping for a long run upswing to near boom-time levels. My feeling, while genuinely optimistic, is not quite so sanguine as this. Last January the President's Council of Economic Advisers esti-

mated that 1963 gross national product would fall within a range of \$5 billion either side of the \$578 billion figure that was used as the basis of our revenue forecasts. It now looks like the high side of that range might be about right. That is what I had in mind when I suggested earlier this month that, if the present improvement continues, Federal revenues might perhaps exceed our estimates for fiscal 1964 by as much as \$1 billion. But even such a result would not lead to any appreciable improvement in our employment situation. For that, we must look to tax reduction.

The first-quarter balance-of-payments picture is perhaps less rosy and I think it would be unrealistic to look for any sudden solution in this area. Because we are relying on the slower, but surer, solutions brought about by a market economy, it is entirely possible that this year's deficit will still be comparatively large. Obviously, the payments deficit is a stubborn problem, but with the Trade Expansion Act of 1962, the Revenue Act of 1962, and particularly with the prospect of a meaningful tax program this year, we will certainly have the tools to work more effectively for a solution.

The answers to this and other vexing economic questions require close cooperation between the public and private sectors of our society. They also call for wider discussion of the major issues and broader understanding of their implications for the individual citizen and for the Nation—the sort of informed public understanding that the specialists in the business and financial press can help to generate. With your help—and, as President Kennedy said recently—"with the help of all of those in business, labor, and other professions who share your concern for the future, we shall build a future from which all Americans can take pride as well as sustenance."

### Reins, Hames, and Britches

#### EXTENSION OF REMARKS

OF

### HON. EUGENE SILER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1963

Mr. SILER. Mr. Speaker, quite a conflict seems to have taken place in the House of Representatives this week between liberalism and conservatism, between ADA and ACA, between leftwingers, and rightwingers.

While I am quite proud to be among that number of Congressmen who will receive special recognition by the ACA today for our willingness to stand upon and behind the U.S. Constitution, yet I feel that I am truly neither a liberal nor a conservative but am rather a constitutionalist, an American, a nationalist, a flag waver for our own great country 365 days out of the year. I do not owe allegiance to any group, whether political or civic, or ecclesiastical, above the allegiance I owe to the United States of America. No labor group owns me, no farm organization has bought my soul, no part of the fourth estate either to the far left or extreme right has ever fitted a collar for my neck.

I am an American. And if the ACA or any other establishment wishes to honor me for my own honor toward the American Constitution, then I am very grateful for such a gesture. William E. Glad-

stone said our Constitution was "the most wonderful work ever struck off at a given time by the brain and purpose of man." And I truly wish that all 435 Members of the House would put themselves into such unanimous support for this modern yet ancient, rigid yet flexible, liberal yet conservative document we call the Constitution that all Americans everywhere could rise up to honor this kind of deep patriotism on the part of their elected representatives.

What is the Constitution? The word literally means "standing together." And certainly if we do not stand together on something, then we will surely fall apart on nothing.

One court of last resort here in our country said, "The Constitution is the embodied will of the people by which they govern their governors." Therefore, this great, living instrument, the Constitution, is the liaison, the connecting link, the umbilical cord between the operating machinery of the Government and the vibrant soul of the people.

The Constitution is moderate and temperate. It is concerned with the freedom and liberties and rights of the people. An official voice may sometimes wish to say you must pay \$1,000; but the Constitution says you have a right to trial by jury on this very question. An official voice may sometimes wish to say you must stay in prison; but the Constitution says your body has a right to be brought forth for explanation as to why it is being held—habeas corpus. Some ecclesiastical authority may sometimes wish to say you must pay taxes to support this church or this church school; but the Constitution says no law shall be made to support—establish—any religion.

The Communists are on the far left. The Fascists are on the far right. The Constitutionalists are in the middle and they are the moderates of our Nation.

The Constitution tends to be a very considerate instrument. It provides no method of taking your tax money to distribute it in foreign aid; it provides no Peace Corps; it provides no back-door spending; it provides no absolute power for one official or one branch of Government but establishes three separate branches of Government having many officials in charge of them; it provides for no undeclared wars in faraway lands but only for wars declared by Congress and the swelling symphony of its many voices. The erroneous interpretations of officials have destroyed some of these constitutional benevolencies, I am sorry to say.

The Constitution is an instrument of great service. It provides for your defense and welfare; it provides for regulation of commerce between the different States of the Union; it provides for a monetary system and a standard of weights and measures; it provides for a postal system; it provides for an Army and a Navy.

The Constitution is a set of practical harness that controls the power of the people and yet is hitched to the carriage of your safe travel through this mortal life. And because it is a set of harness, the Constitution is the "reins, hames, and britches—or breeches" of your national



life. You, the people, hold the reins, you cause the hames to work to pull the load of the Nation; you make the britches work to restrain the power that could destroy our country on the steep incline toward socialism.

I am proud to be a constitutionalist. I look neither to the right nor to the left, but to the Constitution.

### Preparation for Aggression

#### EXTENSION OF REMARKS OF

**HON. TORBERT H. MACDONALD**

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1963

Mr. MACDONALD. Mr. Speaker, in the wake of the congressional debate on Near East policy these past weeks, it was gratifying to hear the firm statement made by the President last week.

The President said then, and I quote: In the event of aggression or preparation for aggression, whether direct or indirect, we would support appropriate measures in the United Nations and adopt other courses of action on our own to prevent or put a stop to such aggression.

This should make it quite clear to President Nasser of Egypt that we are committed to defend the integrity of sovereign states in the Near East and that we will not acquiesce in a threat to Israel, to Jordan, or Saudi Arabia.

The President's words, "preparation for aggression," point specifically at the current activities of Egypt in relation to her neighbors.

The arms buildup in Egypt, accompanied as it is by forthright declarations of ruinous war, is preparation for aggression.

The fomentation of violence and rebellion, through endless propaganda from all the organs of mass communication, through skilled instigators disseminating hatred in the street, is preparation for aggression.

President Nasser has been employing both of these methods to undermine the entire Near East. I was glad to hear that our Department of State, during the pro-Nasser rioting which recently threatened the Hashemite throne of Jordan, urged radio propagandists in Baghdad, Damascus, and Cairo to desist in their war against King Hussein. It was about time that we acknowledged that in today's Arab world, words fly across frontiers with the accuracy of missiles and with the same intent to kill.

The President's policy, as always, depends on interpretation and evaluation of the threat in the Near East.

The threat to Israel was made explicit, as it has been innumerable times during the last 15 years, when Iraq, Syria, and Egypt signed their unity declaration in Cairo last month.

In their relations with Israel, the Arab States have continually violated the principles of the United Nations Charter. Thus, it may seem rhetorical to cite that this new Arab unity declaration flaunts the charter once more.

The new union has a provision in its declaration of formation which includes provision for the destruction of Israel. The United Nations should find it intolerable that the founding document of a new state, the United Arab Republic, which will undoubtedly become a member of the United Nations, should provide for the destruction of another state which is also a member of the United Nations.

It is dangerously incredible that the destruction of Israel should be a founding principle of the new United Arab Republic, as though it were a goal of the same status as economic union or cultural exchange.

We have watched with all possible good will and considerable assistance the economic development of Egypt, Iraq, and Syria. We should have been able to welcome their unity declaration. But the shocking paradox which betrays this declaration is all too clear. Instead of taking a positive step toward progress, Egypt, Syria, and Iraq have taken a negative step—toward war.

Those of us who contemplate with hope the struggle of oppressed peoples for freedom cannot but contemplate with fear a child of that struggle which is born deformed by hate.

The outstanding element in Nasser's pattern of international relations is his system of absolutes. "The friend of my enemy is my enemy," the Arabs say, and that is all there is to it. A Near East regime may be friendly, but if it is not objectively pro-Nasser, then its friendship is unacceptable. This is the absolutism that denies Jordan a place in the Arab future, despite the extensive assurances of King Hussein and his Prime Ministers that Jordan wishes to participate with all her heart and energy in Arab development.

Even within the new union itself, it has become obvious that if Nasser is not inside the government, he is against it. Such is the nature of the conflict which has been aggravating Syria.

It seems clear by this time that the Egyptian President makes peace only with those who swear him allegiance. He is the most powerful man in the Arab East. He may fulfill his declarations and lead the Arab world into a war against Israel which would end in disaster for humanity.

The heart of the administration's statement is to do just this—to assure all our friends that the United States stands ready to preserve peace in the Near East, by whatever means it deems effective by the manifold channels of direct and indirect diplomacy and/or by the adjustment of written and unwritten agreements. We must feel free to be firm at all times with any state in the region that defies our defense of peace and threatens to involve itself or anyone else in a needless conflict.

Right now, there is an arms race in the Near East which has locked an economic and spiritual stranglehold on the inhabitants of that area. Israel is being forced to spend far beyond her means for defensive armaments. Her economic development since 1948 has been spectacular. The individual's income has risen

from \$294 to \$750. But this same individual must carry one of the world's highest tax burdens to pay for a defense establishment which, if it will not bring him peace in the real sense it will bring him some peace of mind.

Egypt has been accumulating weapons over the years, to the great detriment of her impoverished people. Egypt has fed her children with American wheat—\$576 million worth of American aid has gone to Egypt since 1955. At the same time she has been training for battle, she has made purchases of arms of over \$700 million from the Soviet Union since 1955. And she has urged her farmers to maintain unnecessarily high cotton production in order to pay the Russians. Egypt is still suffering from the economic inertia that comes from a one-cash crop economy, not because she has lacked assistance in expanding it, but because her leader feels compelled to prepare for aggression.

I have said in the past and I still believe that the United States should see to it that economic assistance does not serve as a catalyst for the military aspirations of prospective aggressors.

If there has been stalemate and paralysis in our own Government's Near East policy, it has not been so grievous as the paralysis of the United Nations in dealing with the Arab war against Israel.

Any resolution in the United Nations which censured the Arab states has been obstructed by a foreseeable voting alignment.

The Soviet Union's veto insulates the Arab bloc in the Security Council. In the General Assembly, 13 Arab states can always gather at least one-third of the votes needed to prevent passage of any resolution they oppose.

At the recent Afro-Asian Solidarity Conference in Moshi, Tanganyika, we saw that Nasser has no trouble trading influence with the Russians and the Communist Chinese, just as he does in the United Nations. At that conference, we heard the United States and Israel condemned in the same breath. And we understood in which marketplace Nasser can meet most amicably with communism.

The United Nations has been incapable of condemning Arab provocations against Israel in the past. There is no reason to believe that it will have better luck condemning the current preparation for aggression which is taking place in Egypt.

For this reason, I am happy to hear the President assert that we will act on our own, even while acting within the U.N. framework, and even if action within that framework is unsuccessful.

In dealing with the tension in the Near East, our State Department has been plagued by a conflict of goals. We wish to bar the entry of communism in the area. But in our attempt to keep the Arabs out of Moscow's reach, we have hesitated to speak strongly in the defense of Israel. For many years, many of us in Congress have been arguing that these two goals are not mutually exclusive. That to guarantee the safety of Israel, our only democratic friend in the Middle East, is to tighten the containment of communism.

At last, there has been strong and public recognition of this identity in a statement reinforcing our intention to give a security guarantee to Israel, to watch over her continued growth. We can do no less. We have guaranteed by other means the safety of our other staunch allies throughout the world.

The most successful implementation of the President's policy will be non-implementation. We declare our firm intention to defend peace in order that no action will have to be taken "to prevent or put a stop to" aggression.

If there is still some reasonable judgment left to the hate-ridden Arab world, then this brief, pointed statement by the American President should still be worth more in meaning than the tirades of Radio Cairo.

### Republicans Have the Best Candidates in Years

#### EXTENSION OF REMARKS OF

#### HON. FRED SCHWENGEL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1963

Mr. SCHWENGEL. Mr. Speaker, the New York Herald Tribune recently carried a very interesting letter to the editor written by Hon. WILLIAM E. MILLER, chairman of the Republican National Committee. The article was entitled "Republicans Have the Best Candidates in Years," and I wish to commend our distinguished colleague for taking the time and trouble to write this letter. I am delighted to see that the New York Herald Tribune is printing thoughtful letters of this type from notable Republicans and Democrats alike about important issues and personalities before our people.

The Republican Party has a great deal to offer, both in the way of issues and in the way of topnotch candidates, and my good friend, BILL MILLER, has made a worthwhile contribution in his letter which follows below.

#### REPUBLICANS HAVE THE BEST CANDIDATES IN YEARS

To the HERALD TRIBUNE:

To inspire the loyalty and win the support of a majority of Americans in 1964 will require splendid candidates, constructive party principles and a proven record. The Republican Party approaches next year's election campaigns with these tangible assets. The Democratic Party does not.

We shall have the good fortune, for example, to select our presidential ticket from a crop of the most able, attractive and articulate personalities either party has put forward in years. The national spotlight is turning on at least a dozen Republican Governors, Senators, and Members of Congress who will provide us with magnificent presidential and vice presidential timber. The healthy competition set off by their followers will vibrate through the Nation, capturing attention and rallying strength to the Republican Party.

The chosen candidates will be able to point to a series of important Republican initia-

tives, contrasted with the Democratic Party's chronic lack of ability to govern, in spite of its occupancy of the White House and possession of heavy congressional majorities.

Last fall, for example, strong Republican pressure forced a reluctant administration to belated recognition of the peril in Cuba and impelled the President at long last to clamp down on Soviet shipping. On that day, October 22, the stock of the United States soared around the world, and at the polls in November the Democratic Party reaped the benefits of Republican firmness.

Since then, as we know, the initiative has melted away. The White House permitted the Soviets to welsh on inspection of Cuban military areas, now seems content to coexist with a Soviet bastion 90 miles off shore, and receives Castro's public praises for U.S. action in halting refugee raids on Cuba.

On the domestic front, the first constructive step toward solving unemployment under this administration, the Manpower Retraining Act, was essentially a Republican measure. Early this year Republicans introduced the first legislation on education and civil rights. The Democratic civil rights bill, incidentally, came along over 2 years after the passionate promises of 1960.

These are examples of Republican adherence to sound principle, as the deep antagonisms within the Democratic Party render it impotent. The Nation faces urgent domestic and international problems, but the halcyon youngsters in the White House wage war with the gentlemen who rule the Democratic roost on Capitol Hill. Result: stalemate and threats of a Southern purge.

Members of Congress of both parties almost without exception report a "couldn't-care-less" attitude toward the President's program among their constituents.

In the first 3 months of this year Gallup reported a 10-point drop in the Kennedy popularity. No candidate has promised more and delivered less. One by one, the glittering Kennedy pledges—over 500 of them—are being junked. The New Frontier as a political philosophy stands revealed, according to one eminent Washington journalist and Kennedy biographer, as a "dud."

Nevertheless, Republicans face an uphill climb in 1964, and the battle will be fought on three major fronts: the big cities, the suburbs, and the South. Reasonable gains in these areas, added to the steady advances we have scored in State and local elections since 1960, can put us over the top next year.

You will recall that in 1960, while we were losing the White House by a hair, we picked up 21 seats in Congress and 290 seats in State legislatures.

In 1962 we added 2 House seats, a governorship, and 159 additional seats in State legislatures. At the same time we increased our turnout for the House of Representatives by 4,500,000, over 4 times the Democratic vote increase. Meanwhile, our vote in the South was jumping 224 percent. It's still zooming.

The most significant test of public opinion on the New Frontier's policies which has occurred since 1962 was the special election held in the First Congressional District of California on January 22, 1963. This district, which went Democratic last November, was carried by Republican DON CLAUSEN in the special election.

In April we elected a State legislator in Corpus Christi, Tex., and two members of the city council in North Augusta, S.C. Both were notable firsts in the history of the South.

Earlier we sent a Republican to the Georgia Senate, 1 to the Mississippi House, and 12 to the Florida Legislature.

In Michigan, after ending a 14-year period of Democratic control by electing Gov. George Romney, we followed up by carrying the State for the new constitution, winning

an extremely large percentage of the vote in Detroit.

In Chicago our candidate for mayor took 44 percent of the vote, a 15-percent jump over the previous showing in the Chicago mayoralty contest.

In Kansas City we lost city hall by a very slim margin, but our candidate carried 62.4 percent of the vote in three heavily Negro wards.

All of this shows that Republican organizational muscle is being built in the three major target areas mentioned. This effort will continue at an accelerated pace, and we shall continue to place emphasis on sound Republican principles.

A major challenge to Republicans lies in communicating our more responsible positions. Our mission is to teach that you do not get something for nothing from your Government. Any party which promises that—as the opposition consistently has—undermines the foundations of America's strength and is unworthy of the support of the citizens of a great nation.

Republicans on the record have retained the staunch friendship and respect of our allies by a firm and wise foreign policy, have maintained a strong military posture, have kept the Nation at peace, and have created an economic climate at home which produced record levels of prosperity.

If we add to this constructive record, the magic ingredient of hard work in the precincts, the Nation can look forward to Republican victory in 1964.

WILLIAM E. MILLER,

Chairman, Republican National Committee.  
WASHINGTON.

### Senator Sam Ervin, of North Carolina, Urges Congress To Implement Sixth Amendment by Enactment of Legislation

#### EXTENSION OF REMARKS OF

#### HON. VANCE HARTKE

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Thursday, May 23, 1963

Mr. HARTKE. Mr. President, recently in the American Bar Association Journal, one of our distinguished and learned colleagues, the Honorable Senator from North Carolina [Mr. ERVIN], wrote an article urging congressional attention and enactment of legislation.

This scholarly thesis is worthy of all of our attention, and I therefore, Mr. President, ask unanimous consent that it be printed in the CONGRESSIONAL RECORD at the close of the extension of my remarks.

The senior Senator from North Carolina, a former practicing attorney and judge is exceptionally qualified to speak out on the subject about which he has written. The article is titled "Uncompensated Counsel: They Do Not Meet the Constitutional Mandate," and it basically states that Congress should implement the right-to-counsel guarantee of the sixth amendment by enactment of legislation under which Federal districts may establish compensated-counsel systems to provide representation for indigents charged with crime.



There being no objection, the article was ordered to be printed in the RECORD, as follows:

**UNCOMPENSATED COUNSEL: THEY DO NOT MEET THE CONSTITUTIONAL MANDATE**

(By SAM J. ERVIN, JR., U.S. Senator from North Carolina)

"If we are to keep our democracy, there must be one commandment: Thou shalt not ration justice."

These words of the late Judge Learned Hand remind us that justice is a keystone of our democracy and that we must be ever vigilant in providing for just and democratic processes. Unfortunately, we as a nation have not adequately provided for the administration of justice. In a very real sense, justice is being rationed in this country as a result of Congress failure to appropriate funds to guarantee counsel for indigent defendants in Federal courts.

The financial resources of a defendant should be irrelevant to the administration of justice. If equal justice under law is to be more than a hollow phrase, then indigent defendants must be afforded adequate counsel. A fundamental principle of our Nation is that law, not force, maintains the social order. And yet each year thousands of defendants are brought before the Federal bench without benefit of paid counsel. The forces of the Government, with experienced prosecutors, trained investigating staffs, and expert witnesses, are pitted against a defendant whose appointed counsel must find the spare time to defend without compensation.

The Constitution of the United States speaks for these defendants through the sixth amendment, which in part provides: "In all criminal prosecutions, the accused shall enjoy the right \* \* \* to have the Assistance of Counsel for his defense." In 1938 the Supreme Court defined the rights of an accused to representation in the Federal courts. In *Johnson v. Zerbst* (304 U.S. 458 (1938)), the Court held it was necessary, even to establish jurisdiction of the trial court, that the accused be granted the right to counsel; without that right any judgment against him is void. The Court's holding was very clear: "The sixth amendment withholds from Federal courts in all criminal proceedings the power and authority to deprive an accused of his life or liberty unless he has or waives the assistance of counsel." The *Johnson* case did not answer all the constitutional questions involving the right to counsel in the Federal courts; but it clearly stated that, if a defendant wished counsel and could not afford it, counsel must be provided.

Twenty-five years have passed since that decision was pronounced, breathing life into the sixth amendment. And what has been done by the Federal Government to implement the decision? The answer is: very little.

In 1946 Congress recognized the constitutional mandate for counsel when the sixth amendment provision for counsel was re-stated in rule 44 of the Federal Rules of Criminal Procedure:

"If the defendant appears in court without counsel, the court shall advise him of his right to counsel and assign counsel to represent him at every stage of the proceeding unless he elects to proceed without counsel or is able to obtain counsel."

However, with the exception of legislation passed in 1960 providing for a Legal Aid Agency in the District of Columbia, Congress has done nothing to allow compensation for those lawyers or agencies representing the poor in Federal cases. The system of appointing uncompensated counsel has placed a great burden on the shoulders of the legal profession. The profession has performed admirably through the years, but the

system has proved unsatisfactory both for the defendant and his counsel.

Some years ago when I was a young practicing attorney in North Carolina, I was appointed counsel for an indigent defendant in a capital case. The trial resulted in a conviction; I was awarded a fee of \$12.50 by the court. After I filed notice of appeal, however, it cost me \$84 for a transcript of the record. A local newspaper published an editorial saying, in effect, that the defendant was obviously guilty and that his lawyer was only appealing because of the huge fee involved. I was elected to the State legislature shortly thereafter, and my first bill was one authorizing the State to pay for the trial transcript of an indigent defendant appealing to the North Carolina Supreme Court. This, of course, was a State case, and the laws in North Carolina are considerably different today. But the situation I faced is analogous to that confronting many lawyers practicing in the Federal courts today.

There is no provision even to reimburse counsel for out-of-pocket expenses; there are countless cases in which attorneys have borne heavy personal sacrifices to be certain that the defendant received a fair trial. Even an accused charged with a capital offense does not have the benefit of compensated counsel in the Federal courts.

The following statement from the 1961 study of the Senate Subcommittee on Constitutional Rights clearly sets forth the constitutional problem:

"The Subcommittee on Constitutional Rights wholeheartedly endorses legislation designed to assure competent legal counsel for indigent defendants in all Federal courts.

"The subcommittee believes that this is necessary to achieve full compliance with the mandate of the sixth amendment to our Constitution that 'In all criminal prosecutions, the accused shall enjoy the right \* \* \* to have the assistance of counsel for his defense.'

"The subcommittee believes further that the right to counsel as guaranteed by the Constitution is a hollow right indeed if it is not accompanied by proper safeguards that all accused persons will be represented by adequate counsel—even those who cannot afford to pay for it."

There are many examples I could cite of unfairness to the accused because of lack of funds for defense. One in particular is illustrative. It was related to a House of Representatives subcommittee in 1959 by William Reece Smith, Jr., past chairman of the American Bar Association Junior Bar Conference:

"[This] involves a young attorney from Philadelphia, who was appointed to represent an indigent who was unable to speak English. This particular assigned counsel states that he was practically as indigent as the defendant, and for that reason was unable to afford an interpreter in order to converse with his client. He, of course, sought the services of an interpreter through the court and eventually the Government did provide the interpreter. However, this provision was not made until the day of trial. And so for the first time both counsel and court heard the defendant's side of the story while in the courtroom in the course of the trial.

"It so developed in this particular instance that there was a witness to the event who might have been of great importance in the defense of the case. This witness was not made available, could not be made available under the circumstances, and in counsel's opinion the defendant was convicted as a result of this development."

This example is a startling one, but it is only one of a long list—all evidence that the constitutional guarantees are not being satisfied in the Federal courts.

**YOUNG, UNPAID LAWYERS FREQUENTLY APPOINTED**

The accused is defended frequently by a young lawyer who either may take the case for experience or may have no yearning whatsoever for courtroom advocacy. Many judges understandably are inclined to appoint young lawyers rather than other members of the bar with crowded schedules. This is not an indictment by any means of young lawyers or the Federal judges and their procedures. Most young lawyers meet their responsibilities in the courtroom with zeal and imagination. Generally speaking, the young man provides a good defense, but certainly in extremely serious matters the accused is entitled to the same defense as the person of means who can and will retain only a seasoned attorney.

In addition to the constitutional problem, there is the great burden which is placed on members of the legal profession. In the 1959 House of Representatives hearings the story was told of a lawyer in Wyoming who had long experience in criminal law and was in practice by himself. He was appointed to defend in a Federal criminal case which involved 10 days and 3 nights of actual trial time, plus considerable preparation. The Government presented 114 witnesses. For practical purposes the lawyer was required to close his office for 6 weeks. As a result, he was practically bankrupted. The lawyer himself should not fear indigency while defending the indigent. This unfairness to the accused and hardship on the bar are intolerable. They are not at all conducive to the effective administration of justice.

Several years ago, in considering this matter, the distinguished chairman of the Judicial Conference of the United States, Judge Augustus N. Hand, spoke for the Conference:

"To call upon lawyers constantly for unpaid service is unfair to them, and any attempt to do so is bound to break down after a time. To distribute such assignments among a large number of attorneys, in order to reduce the burden upon anyone, is to entrust the representation of the defendant to attorneys who in many cases are not proficient in criminal trials, whatever their general ability, and who for one reason or another cannot be depended upon for an adequate defense. Too often, under such circumstances, the representation becomes little more than a form."

Congress not having acted to provide practical implementation of the sixth amendment, the legal profession has attempted to alleviate the problem in some instances by utilizing defender services established for State and local courts. The Legal Aid Society of New York, for example, established as a local service by private funds, will assign a lawyer to represent those accused of Federal crime. But funds are so low within the local defender services that most of the 115 now existing throughout the country can barely manage the heavy load in the State and local courts, much less be expanded to include the Federal system. (The National Legal Aid and Defender Association reported 115 defender services throughout the United States as of March 1963. Twelve of these are financed completely by private funds and a few others by a combination of public-private funds.)

**LEGISLATION IS NEEDED TO FULFILL REQUIREMENT**

As population expands, society becomes more complex, and the legal profession becomes more highly specialized. We can no longer expect the bar alone to implement what is a requirement under the Constitution. Legislation providing for reasonable compensation has been before the Congress for more than 20 years. Support has come repeatedly from the Judicial Conference and the American Bar Association. Both deserve

praise for their tireless efforts. Every Attorney General since 1937 has asked enactment of legislation allowing compensation for counsel to represent the poor.

Legislation which would permit appointment of public defenders in populous districts and compensated assigned counsel in others has passed the Senate three times—in the 85th, 86th, and 87th Congresses. However, these measures have never been reported to the House of Representatives for consideration.

This year, for the first time, a President has allotted a portion of his state of the Union message to this problem, stating: "The right to competent counsel must be assured to every man accused of crime in the Federal courts, regardless of his means." With this encouragement of the administration and with the wholehearted support of the lawyers of the country, I am optimistic over the chances for passage during this Congress.

On the same day that President Kennedy's message was delivered, Senator KEATING, Senator CORTON and I joined Senator HRUSKA in introducing S. 63, "a bill to provide for representation of certain defendants in the Federal courts." This is the same proposal we cosponsored last year and which passed the Senate.

More recently, the President has sent to Congress a proposal which Senator EASTLAND introduced and Senator HRUSKA cosponsored as S. 1057. The same measure was introduced in the House of Representatives by Congressman CELLER as H.R. 4816. This proposed legislation, the Criminal Justice Act, is the product of months of study by the Special Committee on Poverty and the Administration of Federal Criminal Justice, under the chairmanship of Prof. Francis A. Allen, of the University of Michigan Law School. It differs in some respects from S. 63; however, the objectives are the same, and I am confident the differences can be resolved satisfactorily in committee.

#### ACT MAKES LOCAL OPTION IMPLEMENTING KEY

The Criminal Justice Act provides for compensated counsel plus auxiliary defense services. Local option is the implementing key to the bill, as each Federal district may choose a method of representation tailored entirely to fit its own needs and conditions. The choices authorized are these: (1) Appointing private practitioners to be paid up to \$15 an hour for each individual case; (2) establishing a Federal public defender office with appointing power in the judicial council of the circuit after recommendations from the Federal court; (3) appointing attorneys from local bar associations or legal aid societies at the same rate as assigned individual counsel; or (4) providing for any combination of these.

Counsel is guaranteed at every stage of the criminal proceedings, beginning with the initial appearance of the accused before the U.S. commissioner and extending through the trial, sentencing, and appeal. The plan for each district will make provision for furnishing investigative, expert and other services to assist the defense counsel in preparing and analyzing his case. These services may be employed either on an individual basis or through a defense-services agency.

The proposal would apply to the defense of those persons financially unable to obtain an adequate defense. This would allow some defendants to defray part of the costs of their defense if they were able.

To me, this act, and the essentially similar S. 63, presents the best plan to meet an acute national problem. Their greatest asset is flexibility. In some Federal districts the crime rate is very low and there is no need for full-time defenders. In other districts the need is already being met to some extent by private agencies. In still other metropolitan districts, the crime rate is so great that only a full-time staff of public defenders

could provide an efficient and satisfactory answer. The important point is that each year more than 9,000 defendants (not including those in the District of Columbia), or more than one-third of all criminal defendants in Federal district courts, are not able to provide for their defense. Congress must act for them. The proposal under consideration allows each locality to choose its own method: The choice will be up to the area judicial conference and the local district judge. This provision is designed to eliminate political interference. By the same token, politics will be absent from the choice of defenders, since the administration will have no voice in the appointments, as it does with U.S. attorneys.

#### SOME OBJECTIONS RAISED TO PUBLIC DEFENDERS

The biggest objection to our approach, as I see it, concerns the provision allowing districts to adopt a public-defender system. Many feel that placing the defense in the hands of the Government would be a step toward a police state. This danger should not be minimized. After years of unsuccessful searching, however, it appears impossible to find an effective and economical means of guaranteeing counsel other than through an organized service. Experience with long-established defender organizations, furthermore, has shown their attorneys to be competent, zealous, and no more apathetic than their colleagues in the prosecutor's office. I feel certain that the local bar associations can be counted on to see that the defenders perform their duties properly.

Another frequent objection is that a public-defender system would eliminate the traditional freedom in choosing an attorney. However, I fail to see how an accused individual, friendless and penniless, now has any choice. Of course, we know that he does not under the present system of appointing uncompensated counsel.

Under present statutes, rules, constitutional provisions, and recent court decisions, the rights of a defendant are many. If anything, it would appear from some cases that the criminally accused in Federal court today is in many ways better protected than society.

For instance, under the Supreme Court ruling of 1957 in *Mallory v. U.S.* (354 U.S. 449), it was held that a voluntary confession of a convicted and self-confessed rapist was inadmissible as evidence because of the delay in taking him before a committing magistrate. The Court held that a delay of 7½ hours in arraigning the prisoner violated Rule 5(a) of the Federal Rules of Criminal Procedure, which requires that an arrested person be taken before a committing officer without "unnecessary delay." Recently in *Killough v. U.S.*, No. 16,398, the Court of Appeals for the District of Columbia Circuit greatly extended the *Mallory* doctrine. In *Killough* the court not only used the *Mallory* doctrine to throw out a voluntary admission of the accused made prior to his arraignment, but extended this doctrine to invalidate an admission made after arraignment on the ground that it was prompted by the first admission, which was inadmissible under *Mallory*. Thus, the first confession, which the court of appeals felt was obtained in violation of Rule 5(a), was deemed to invalidate the later confession, even though the second confession was obtained in full compliance with the Federal rules and there was never an allegation by the defendant that the confession had been anything but voluntarily given.

Notwithstanding the many rights of criminal defendants in Federal courts today, a defendant's financial inadequacy must not preclude his having an adequate defense, as guaranteed by the sixth amendment.

Society is not well protected when an accused is convicted due to inadequate representation and is thereby embittered over our legal process. When a prisoner is re-

leased from confinement, he is worth something to himself and society only if he returns with a desire to find his place, make proper adjustments, and live a productive and useful life.

Until a prisoner's bitterness over an unfair legal process has been overcome, the correctional process will not work. If a poor prisoner leaves the courtroom with hate for a legal system because he rightly believes he has been defended inadequately, the chances for his rehabilitation are meager indeed.

Nor is society protected when defendants are released because of a technical error in the legal process. Law enforcement officers and prosecutors strongly prefer that adequate defense be available for persons accused of crime.

Chances are lessened for the overruling of convictions on error when adequate defense has been provided. In addition, most prosecutors prefer to enter the courtroom knowing that the conduct of trial will not be interrupted or prolonged by incompetent or unwilling defense counsel.

Society and the defendant both are protected by the right to counsel as guaranteed in the sixth amendment. If a defendant is to take advantage of his legal rights, he must have competent counsel; in the Federal system today, such counsel is not guaranteed. The defendant's rights are useless to him if he does not know what they are or how to use them.

The wealthy defendant need never fear an inadequate defense. It is now up to Congress to eliminate that fear for the indigent. In these days when our Nation is spending billions in aiding the poor of a multitude of other countries, when we are forced to spend more billions for national defense, I believe we can and must afford the cost to defend the basic rights of the poor here at home.

#### American Bar Association Joins the Opposition to "Quality Stabilization"

##### EXTENSION OF REMARKS

OF

#### HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 23, 1963

Mr. CELLER. Mr. Speaker, the American Bar Association has joined with others in registering its concern over the so-called quality stabilization bills pending before the Congress. Prof. Glen Weston, of the George Washington University Law School, recently expressed the American Bar Association's opposition to "any proposed legislation which would attempt to create a Federal right of enforcement of resale price maintenance by private persons." Professor Weston's own analysis of the legislation now before the Congress is so cogent and so forceful that I take this occasion to bring it to the attention of my colleagues.

The analysis follows:

STATEMENT OF GLEN E. WESTON, PROFESSOR OF LAW, THE GEORGE WASHINGTON UNIVERSITY, ON BEHALF OF THE AMERICAN BAR ASSOCIATION, PRESENTED TO THE SUBCOMMITTEE ON COMMERCE AND FINANCE, OF THE INTERSTATE AND FOREIGN COMMERCE COMMITTEE, OF THE HOUSE OF REPRESENTATIVES, APRIL 25, 1963

My name is Glen E. Weston. I am a professor of antitrust and trade regulation law at the George Washington University Law



School here in Washington, D.C. I am a member of the bar in the District of Columbia and in Virginia. I have taught law since 1949 and trade regulation law since 1952. Before becoming a full-time teacher I practiced law with the law firm of McFarland & Sellers in Washington, D.C. I appear here today on behalf of the American Bar Association. I am currently chairman of the subcommittee on fair trade and implementing Federal legislation of the section of antitrust law of the American Bar Association. I am grateful to you for affording me this opportunity of presenting the views of the association, the antitrust section, and my personal views.

On August 9, 1962, at the annual meeting of the American Bar Association in San Francisco, Calif., the house of delegates of the American Bar Association adopted the following resolution, upon the recommendation of its antitrust law section:

"Resolved, That the American Bar Association disapproves of and opposes Senate Joint Resolution 159, 87th Congress, and any proposed legislation which would attempt to create a Federal right of enforcement of resale price maintenance by private persons; and be it further

"Resolved, That the officers and council of the section of antitrust law are directed to urge such opposition and disapproval upon the proper committees of Congress in connection with any legislation embodying any such concept."

While the resolution referred to Senate Joint Resolution 159 of the 87th Congress, may I call your attention to the fact that it expresses opposition to "any proposed legislation which would attempt to create a Federal right of enforcement of resale price maintenance by private persons." The officers and council of the section of antitrust law, who were directed to urge such opposition upon the proper committees of Congress, are of the opinion that H.R. 3669 and the various other quality stabilization bills currently pending are clearly within the terms of the house of delegates resolution. For this reason I was requested by them to appear before you today to represent the association in urging disapproval of these bills.

The policymaking body of the American Bar Association is its house of delegates, composed of some 250 members, about one-half of whom are delegates elected to represent State and local bar associations. Resolutions, when approved by the house, become the official policy of the American Bar Association. The comments and supporting data included in reports of sections or committees of the association are not a part of the official policy but are the views of the section or committee submitting them. The council of the section of antitrust law submitted a report to accompany its recommendations to the house of delegates.

I do not want to take your valuable time today reading this entire report, but will merely summarize the conclusions for you, and invite you to read the fuller statement which is attached as an appendix to this statement.

First. The section of antitrust law feels that there are significant uncertainties in the bill. Although a right of revocation and to sue is given for "bait merchandising practices" and "misrepresentation" these terms are undefined. This could provoke considerable trivial litigation and thus result in harassment and injury to business concerns. "Bait merchandising" in particular is an uncertain term. If it were defined merely to include the flagrant type of loss-leader selling it would be somewhat less objectionable but its vagueness may lead to attempts to apply it to many other types of practices and could result in harassing litigation that might injure business concerns whom the proponents desire to protect.

Second. The most fundamental objection of the Section of Antitrust Law is to the granting of power to brand owners to control resale prices. This goes far beyond any requirements needed to control loss-leader selling and is inconsistent with basic antitrust policy of reliance upon price and other competition. Exemptions should be enacted only in compelling circumstances.

Third. The antitrust law section feels that the quality stabilization bills would be an unwarranted intrusion upon the public policy of the States. There are now about 27 States plus the District of Columbia and Puerto Rico in which resale price maintenance enforcement against nonsigning dealers is considered contrary to the State's legislative or constitutional policy. Moreover, the present bills by asserting a paramount Federal policy probably deny to the States the right to legislate in this significant area of economic policy. Indeed, in some States such as Montana, Utah, and perhaps Idaho (where the question is pending on appeal), there are State constitutional provisions which prohibit resale price fixing. Other States such as Texas prohibit such practices by statute. H.R. 3669 and similar bills would therefore impose upon these States a price maintenance system that such States have declared contrary to their policy. The Federal courts would also have transferred to them the burden of policing resale price maintenance through litigation without regard to the amount in controversy.

Finally, speaking only for myself as an individual and a teacher of trade regulation law I would like to give my further personal reasons why I think quality stabilization should not be enacted. The remainder of my statement is not to be attributed to the American Bar Association or its antitrust law section. And let me first assure you that I am not paid or retained by anyone. My only interests are those of a teacher, consumer and citizen who is interested in the maintenance of a strong, free, private competitive enterprise system. I think that the general objectives of those who have introduced these bills of trying to help small businessmen, improve quality and protect consumers against deception are laudable. As a teacher of trademark law as well as antitrust law I also believe that a system of reasonably strong protection of trademarks is a *sine qua non* of free competitive enterprise. But I believe that these quality stabilization bills will not achieve the objectives that some of you in good faith think that they will. Instead, you are asked to enact one of the most drastic departures from a free enterprise system that has ever been before Congress. It would in reality throw the baby of price competition out with the bath water of the loss leader and bait merchandising. I am confident of the sincerity of those who have introduced these bills but in my opinion the very name "quality stabilization" is misleading because it erroneously implies that the bill will achieve quality control and obscures the stark truth that this is primarily a price-fixing bill. At the moment consumers are blissfully unaware of the purport of this bill. If the real effect of this bill were made known to the American public, Congress would be inundated with protests by consumers. If it is enacted and put into effect I think you are going to witness a severe reaction from consumers all over the Nation.

These quality stabilization bills are designed to aid three classes of persons: brand owners, small dealers, and consumers. However, I sincerely believe there are substantial unanticipated problems in the bills that can boomerang and cause trouble for each of these groups:

#### A. QUALITY STABILIZATION PRESENTS SEVERE PROBLEMS FOR BRAND OWNERS

There are severe problems for brand owners in these bills that ought to make them

think twice about supporting these bills or using them if enacted.

1. Since these bills do not authorize any agreement or combination a brand owner may find himself violating the Sherman Act and FTC Act when his dealers in complete good faith try to cooperate in enforcement. These bills thus create a dangerous trap for brand owners. Unlike fair trade, the trademark owner is the only person authorized to bring suit or enforce the provisions of the bills. This means the brand owner alone must bear the cost of enforcement of his price stabilization system. While he may do this by revocation of the right to sell as well as suit against the price cutting dealer it is doubtful whether he can either invoke or accept any assistance from dealers in detecting violations and policing. Nothing in the bill authorizes agreements with dealers or indicates that dealers may help. Under *United States v. Parke, Davis & Co.*, 362 U.S. 29 (1960), a refusal to deal must be kept strictly unilateral to keep it from becoming an unlawful "combination" to fix prices violative of section 1 of the Sherman Act. Unsolicited aid from dealers in detecting violations or even oral assurances by dealers that they will adhere to a manufacturer's suggested prices are unlawful as some persons interpret the *Parke, Davis* case. While an amendment might be drafted to overcome this, such an amendment would convert the bills into a mere authorization of price-fixing agreements and also destroy the claim that the resale price maintenance provisions are voluntary with the brand owner. Such an amendment would also unwisely permit dealers to pressure brand owners into price fixing even though brand owners do not desire to do so.

2. A second danger for brand owners in this bill is that it may cause a substantial increase in product liability claims against them. This danger arises partly from the provision in paragraph (10) of the bill (H.R. 3669) that subjects the brand owner to jurisdiction in every Federal district in which his goods are sold. This jurisdiction is solely for purposes of suits by consumers arising out of alleged misrepresentations by the owner as to size, capacity, quality, condition, model, or age of the goods. Although this does not expressly create a right of action, it seems to imply the existence of one. While I do not quarrel with creation of a right of action on behalf of consumers for misrepresentation by brand owners, this provision, coupled with other provisions in the bill giving some control over retail dealers, may arguably go much beyond that. They may result in a substantial increase in the trend toward absolute liability for any defects in the goods, particularly in those States that still cling to the so-called "privity" doctrine. In other words, the control over dealers provided in this bill may create "privity" between the brand owner and the retail purchaser that will make the brand owner liable to the ultimate consumer for any defects in the product. Now this may be good; in fact, I think it probably is. But is this what you intend, and do brand owners realize its potential effect? Do they realize it could result in substantial increase in their insurance costs? I doubt whether they have even thought about it much.

3. A third problem for brand owners is increased difficulty in complying with the Robinson-Patman Act. Normally a brand owner who sells to wholesalers is not responsible under the Robinson-Patman Act for price or service discrimination resulting from the wholesaler's resales to retailers. Retailers who purchase from wholesalers are not considered purchasers or customers of the brand owners. But under cases such as *American News Co. v. FTC* (300 F. 2d 104 (2d Cir. 1962)) (certiorari denied) the control that this bill gives to brand owners over retail dealers who purchase from independent

wholesalers may be enough to make such dealers be considered purchasers from the brand owner. This could mean that some brand owners will have hundreds or thousands of new purchasers or customers to whom they must proportionally all advertising allowances and all promotional services or facilities. It may also arguably make the brand owner liable for any discrimination practiced by his wholesalers. Again I doubt seriously if brand owners have realized this problem.

4. Another serious drawback for many brand owners is that this bill may preclude a brand owner from selling private brand goods to mass merchandisers even through the price differential is fully cost justified or is made to meet competition. Paragraph 11(B) of H.R. 3669 creates a defense if the dealer shows that plaintiff has sold the same kind of goods of like grade and quality to another person similarly situated under more favorable terms or at lower prices. This would create a Robinson-Patman type defense of discrimination. But there is a notable complete absence of mention of any cost justification or meeting competition privilege. From this it may be interpreted to mean that a brand owner who tries to keep small dealers happy by fixing resale prices with high margins while still maintaining his volume by selling private brand goods may find himself in difficulty. I do not know whether this is intended by the drafters of the bill or whether it is a "sleeper" planted by someone who does not like private brands. They are permissible under Robinson-Patman when any price differential is cost justified and there is no sound reason why this proposed legislation should in effect, preclude them under such circumstances.

5. Brand owners may find quality stabilization very expensive and troublesome to enforce. The superimposing of quality stabilization on top of State fair trade laws and the Miller-Tydings and McGuire Acts creates a lot of confusion and uncertainty. Some types of conduct will thus be permitted under some State laws and other types under Federal law. Suits may be pending in both State and Federal courts dealing with similar conduct. The many unanswered legal problems arising out of such a situation will mean many attempted defenses and subterfuges and a high cost of enforcement. Moreover, the bill is completely silent and therefore ambiguous concerning the status of such things as trade-in allowances and trading stamps which have caused a great deal of trouble in fair trade States. Finally, since discount houses are thoroughly entrenched in most States it is going to take a long, expensive litigation effort to halt their discounting—if it can be accomplished. Such subterfuges as covering the trademark with tape, making a few scratches on an appliance and calling it damaged or secondhand, overvaluing trade-ins and the like are likely to be employed.

#### B. PROBLEMS FOR SMALL DEALERS IN QUALITY STABILIZATION

There are some ways in which small dealers may be injured as a result of quality stabilization:

1. Dealers may be prosecuted under the Sherman Act or be sued for treble damages for "combining" with brand owners if they attempt to help in reporting violations or cooperate in enforcement. As I mentioned earlier these bills do not contain any authorization for agreements or combinations between brand owners and dealers. The Parke, Davis rule requiring strict unilateral action by the brand owner is presumably still in effect. In a recent Federal district court case, *Klein v. American Luggage Works, Inc.*, 206 F. Supp. 924 (D. Del. 1962), two retailers were held liable for treble damages along with the brand owner because they "volunteered assistance in the ascertainment of

noncomplying dealers" in a refusal-to-deal price maintenance system. The present bills do not contain anything that would change this part of the rule of this case. Therefore there is real danger to dealers under quality stabilization.

2. Quality stabilization may give some substantial advantages to chain stores, mail order houses and large department stores. In some ways quality stabilization may give mass merchandisers advantages over independent dealers. It should give greater incentive for the use of private label merchandise by such mass merchandisers. The independent dealer will find his hands tied by quality stabilized pricing so that he is unable to meet the price competition of such private brand products. A surprisingly large percentage of the suits brought under fair trade laws have been against small dealers—not just chain stores or discount houses. Chain stores and other mass merchandisers also have greater capital to invest in advertising or in servicing stabilized products and thus may grow even more rapidly with guaranteed margins.

3. The lack of a right of action for competing dealers makes them dependent solely upon the brand owner for enforcement. If brand owners are slow to bring suit, the dealer may suffer losses for which he has no right of action against anyone. Experience under fair trade has shown that many brand owners are not enthusiastic about maintaining such litigation since it is expensive and is largely for the benefit of the dealer rather than the brand owner. Small dealers may find themselves afraid to cut prices because of fear of revocation under quality stabilization, afraid to complain of price cuts by competitors because of possible Sherman Act claims against them, and unable to bring suit on their own behalf. What recourse do they have under such circumstances?

4. Small dealers may find themselves faced with threats of revocation of their right to resell trademarked articles. There is no requirement that price cutting or "bait merchandising" be intentional to be grounds for revocation. Mistakes by employees or salesmen might be grounds for revocation of a dealer's right to resell. And since brand owners must use diligence in enforcement, there is some question as to how far they may go in overlooking such violations. Consequently there may be some danger that small dealers may find themselves cut off from their sources of supply or being named as defendants in litigation under this proposed legislation.

#### C. CONSUMERS WILL BE DAMAGED BY THIS PROPOSED LEGISLATION

1. Although one of the stated purposes of this legislation is to protect consumers against bait merchandising and misrepresentation, the bills do not provide effective remedies for this purpose. Why is the consumer given no right of action for such practices? More significantly, why isn't the Federal Trade Commission's jurisdiction enlarged to reach such practices merely "affecting commerce" if the real purpose is to protect consumers? Why aren't competitive dealers given a right of action? These significant omissions make the bait advertising and misrepresentation provisions of these bills ineffective as a means of protecting consumers and create a suspicion that their principal purpose is to soft-pedal the price-fixing provisions by equating discounting with misrepresentation.

2. There is a strange omission of any requirement, guarantee or assurance of high quality products, except for the pretentious title "quality stabilization" which seems to imply a paramount intention to achieve quality control. Why isn't it a good defense to a suit by the brand owner for the dealer to show the brand owner's product was of poor quality? Why aren't consumers who

will be required to pay fixed prices given recourse against the brand owner who sells a poor quality product? There is little reason to believe that these quality stabilization bills will aid materially in improving quality since the bills signally fail to contain adequate means of assuring quality.

3. Consumers will be damaged because resale price maintenance on trademarked commodities facilitates horizontal price fixing between competing brands even in the absence of actual agreement. These bills purport to permit only the elimination of intrabrand competition but they will significantly lessen competition between rival brands since they contain insufficient safeguards. There is nothing to prevent rival brand owners from announcing stabilized resale prices that are identical or virtually so, as long as they did not agree among themselves to do so. The only limitation in the bill is the "free and open competition" requirement but under fair trade this has sometimes been interpreted as being met even though there were only two competitive producers. Professor Walter Adams, the most sophisticated economist favoring fair trade, has advocated more stringent interpretation of the "free and open competition" limitation, but the only State that has applied it with any degree of strictness is Pennsylvania. Instead of the greatly inadequate "free and open competition" requirement, why don't you write into this bill a requirement that there be "free and effective price competition" between the stabilized commodity and similar products produced or distributed by others? This would limit price stabilization to products where a substantial degree of interbrand price competition exists and the consumer has real alternatives. The courts or the FTC could then preclude resale price maintenance when there was insufficient interbrand competition.

#### CONCLUSION

In conclusion, let me emphasize my personal opinion that the objectives of this proposal are good but the means employed are unsound. A far more effective means of dealing with the loss-leader problem, if you feel new legislation is needed, would be a Federal sales-below-cost statute modeled after those in effect in about one-half of the States (such as S. 1804 of the 87th Cong.). Misrepresentation and bait merchandising affecting interstate commerce could be more effectively dealt with by such legislative proposals as the Lindsay-Javits bill (H.R. 4651 and S. 1038) that would create a right of action for "unfair commercial activities in or affecting commerce." The quality stabilization bills are drastic proposals. They go far beyond fair trade because they would create a nationwide price-fixing system enforceable in the Federal courts. They are so replete with legal problems and pitfalls that the main beneficiaries will be lawyers not brand owners, dealers or consumers. What kind of answer can you give to the unemployed workers, the low wage laborers, the retired pensioners, the disgracefully underpaid public school teachers and the underprivileged in our society if they find themselves required to pay higher prices for such items as packaged foods, clothing, aspirin, first aid supplies, toothpaste, shaving cream, razor blades and other necessities? I have read a good many economic studies concerning the effects of fair trade and they are conflicting in their conclusions; perhaps no one can say with complete certainty exactly what the long-range effects will be. In my opinion the most objective and reliable studies point to the probability that consumer prices will be materially increased. At any rate it seems to me you should not enact this drastic departure from a free enterprise system unless you are quite certain it will not have such an undesirable result. Can you honestly say that you are certain



it will not increase consumer prices? I do not see how anyone can.

#### AMERICAN BAR ASSOCIATION, SECTION OF ANTITRUST LAW—RECOMMENDATION

The section of antitrust law recommends that the house of delegates adopt the following resolution:

*Resolved*, That the American Bar Association disapproves of and opposes Senate Joint Resolution 159, 87th Congress, and any proposed legislation which would attempt to create a Federal right of enforcement of resale price maintenance by private persons; be it further

*Resolved*, That the officers and council of the section of antitrust law are directed to urge such opposition and disapproval upon the proper committees of Congress in connection with any legislation embodying any such concept."

#### REPORT

##### 1. Background

On May 18, 1959, the board of governors of the American Bar Association adopted the following resolution:

*Resolved*, That the American Bar Association disapproves of and opposes any amendment of the Federal Trade Commission Act which would further expand the philosophy of so-called fair trade acts and create a Federal right of action in the enforcement of fair trade contracts; and be it further

*Resolved*, That the officers and council of the section of antitrust law are directed to urge such opposition and disapproval upon the proper committees of Congress in connection with any legislation embodying any such amendment."

In February 1962 a proposal by the antitrust section to update this recommendation as a current expression of the association was considered at the midwinter meeting of the ABA's house of delegates in Chicago. At that meeting consideration of a proposal by the antitrust section to oppose legislation creating a Federal right of action in the enforcement of fair trade contracts was postponed to the August meeting of the house of delegates. (During the 85th, 86th, and 87th Congresses, several bills had been introduced which would create in some form a Federal right of action for the enforcement of fair trade contracts entered into under State law.)

Since the February 1962 meeting attention has been directed to Senate Joint Resolution 159, the Quality Stabilization Act proposal introduced by Senators HUMPHREY, CAPEHART, and others on February 21, 1962.<sup>1</sup> While hearings were held on S. 1722 on July 25 and 27 and August 28, 1961, it is understood that they will not be printed in the light of the shift of interest to Senate Joint Resolution 159. Hearings on Senate Joint Resolution 159 have been held by the Senate Committee on Commerce. In the course of the hearings the heads of the two principal antitrust enforcement agencies (Lee Loevinger, Assistant Attorney General in Charge of the Antitrust Division, Department of Justice, and Paul Rand Dixon, chairman, Federal Trade Commission), testified in opposition to Senate Joint Resolution 159.

##### 2. Provisions of Senate Joint Resolution 159

The resolution opens with six recitals setting forth legislative statements of objectives. A key recital refers to unfair or deceptive acts or practices "such as . . . store-traffic baiting and misrepresentation as

to the size, capacity, quality, condition, model, or age" of branded goods, "all tending to destroy unfairly the value" of brands "to their owners, to smaller resellers, and to the public. Among the effects of these practices recited is a tendency to diminish the volume of branded products moving in commerce, thereby reducing producers' incentive to maintain the value of their goods and producing other value-diluting consequences ("substitutions of inferior labor and materials forced by the downward spiral of unrestrained predatory pricing on popular identified products, in the fields of goods, drugs and beverages, endanger public health, and in other fields, endangers (sic) public safety"). Recognition of the property right in a brand and the goodwill associated therewith is also recited.

The operative provisions of the resolution would amend Section 5(a) of the Federal Trade Commission Act, 15 U.S.C.A., Sec. 45(a), by adding eight new paragraphs, (7) to (14). The new paragraphs may be summarized as follows:

7. A brand owner is deemed to retain his property rights in the brand and associated goodwill regardless of any transfer of the goods to which the brand relates. Any person who resells branded goods in commerce may use the brand but only in effecting resale of such goods, and subject to (8).

8. When goods usable for the same general purpose are available to the public from sources other than the brand owner, the right of any person to use the brand in reselling may be revoked (on written notice) by the brand owner on the ground that the reseller (a) has used branded goods "in furtherance of bait merchandising practices"; (b) has with notice advertised, offered for sale or sold such goods at prices other than at the brand owner's currently established resale prices; or (c) with intent to deceive, has "published misrepresentation concerning such goods."

9. Nothing in (8) shall abridge the right of the reseller, in the regular course of his business and within a reasonable time after revocation, to sell the goods in his possession on the date of revocation, so long as he does not violate (8) in so selling. A procedure is established for the reseller to offer his inventory to the brand owner at the price he paid for them; if the offer is not accepted, the reseller may sell the goods without restriction as to price so long as his advertisements or offers state the fact of revocation as to goods not in his possession on the revocation date.

10. A reseller who sells under the brand name after revocation commits an act of unfair competition and is liable in a civil action for damages and injunctive relief by the brand owner, in any U.S. district court in which the defendant resides or is found or has an agent, without respect to the amount in controversy; the owner may recover the cost of suit including reasonable attorneys' fees.

11. Lack of due diligence in revoking as to competing resellers who are violating (8) is specifically set forth as a defense.

The other paragraphs are saving and definitional provisions, and include antitrust exemption language and a statement that the Miller-Tydings and McGuire Acts, *inter alia*, are not modified or repealed.

##### 3. Objectives of Senate Joint Resolution 159

Senator HUMPHREY's statement introducing the quality stabilization resolution emphasized the following reasons in support of the legislation:<sup>2</sup>

<sup>1</sup> This report uses the "term brand" as a reference to "brand name, or trademark" as used in the resolution.

<sup>2</sup> CONGRESSIONAL RECORD, vol. 108, pt. 2, pp. 2711-2714. A list of over 50 national trade associations supporting the measure was appended to Senator HUMPHREY's remarks.

1. The resolution is merely an extension of the trademark laws enabling a brand owner to protect his property rights through channels of distribution.

2. The resolution would permit a reseller to remove the brand from the product—"thus separating the physical property, which he owns, from the goodwill, which is another's property"—and then sell at any price.

3. The legislation would be permissive and would leave decision as to enforcement in the hands of the brand owner.

4. The proposal would permit the continuance of independent retailing and provide assurance to consumers that quality tested and reliable products will continue to be available.

5. In the light of increasing numbers of bankruptcies of small business concerns, the proposed legislation is essential to competitive survival of hundreds of thousands of independent businessmen.

Several of these reasons have been equally appropriate in past consideration of fair trade legislation and have been reviewed in detail by many commentators in the past. The most compelling reason now offered in support of the quality stabilization proposal would seem to be the reference to the current plight of independent retailers, particularly in the light of the present phenomenon of widespread discount selling. The inroads of discount operations on sales of traditional retail stores have no doubt been substantial—"Last year, according to trade sources, discounters grossed more than \$4 billion in sales."<sup>3</sup>

The extent to which there has been a substantial causal relationship between retailing of branded goods at prices below those established or suggested by manufacturers and small business failures is, of course, a difficult factual issue involving many and complex considerations. Wholly apart from the question whether the proposal is the appropriate solution, reliable probative evidence of such a relationship would undoubtedly be significant in any differentiation of the present setting from that confronting Congress during its consideration of proposed Federal fair trade legislation in recent years.

##### 4. Relationship to other legislation

The three practices condemned in paragraph (8) as proposed by the joint resolution deserve separate comment.<sup>4</sup>

(a) Bait merchandising: The scope of this term, not defined in the resolution, is somewhat vague and uncertain. Ordinarily the concept "bait merchandising" would be thought to embrace only the use of "loss leader" selling by which certain branded goods are offered for sale at less than cost in order to bait customers into a store in the mistaken belief that all goods in the store are being sold at comparably low prices. This practice may already be subject to various State unfair practices statutes, sales below cost statutes, or fair trade statutes, or to condemnation under section 5 of the Federal Trade Commission Act or common law principles as a species of false advertising or unfair competition. As so limited, prohibition of the practice would seem to be consistent with traditional antitrust or trade regulation principles.

(b) Resale price maintenance: While the Miller-Tydings Act of 1937 and McGuire Act of 1952 created a condition permitting State fair trade laws to be effective by providing exemption from Federal antitrust legislation, fair trade is not available in a number of States where no fair trade legislation has been enacted or where fair trade legislation

<sup>3</sup> New York Times, Jan. 30, 1962, p. 32.

<sup>4</sup> The legislation would apply "to all acts and transactions in or affecting commerce which Congress may lawfully regulate," in territories and in the District of Columbia.

<sup>1</sup> Companion proposals and those who introduced them include H.J. Res. 636 (Harris), H.J. Res. 637 (Mack), H.R. Res. 639 (Tollerson), H.R. 10517 (McMillan), and H.R. 10335 (Madden). (A joint resolution is used ordinarily to effect temporary extension or suspension of existing statutes.)

has been rendered ineffective by adverse holdings on constitutional issues.<sup>6</sup> An apparent objective of the proposed legislation would be to supplement the remaining State laws by creating a Federal right of brand owners to effect resale price maintenance on certain goods.

While the proposed legislation provides that "No exercise of any rights or remedy provided (herein) shall be construed to be a violation of any of the antitrust acts", it is not clear whether this language is intended to immunize arrangements between manufacturers and retailers as to prices or enforcement of rights or remedies of the brand owner. A significant aspect of this problem is that while a principal reason advanced in support of the joint resolution is the plight of small independent resellers, the rights and remedies are given only to brand owners, who will presumably be urged by resellers to enforce the statutory rights and remedies.

(c) *Misrepresentation*: The proposed legislation would create a limited private cause of action providing for relief against commission of acts of misrepresentation which would probably be considered to fall within the scope of section 5 of the Federal Trade Commission Act, which prohibits unfair methods of competition and unfair or deceptive acts or practices in commerce. In consideration of the effects of the proposed law, the elastic scope of section 5 as it would bear on the content of the private right to proceed against "misrepresentation concerning such goods" and the problems attendant to possible overlapping of or conflict between privately obtained injunctions and the cease-and-desist order authority of the Federal Trade Commission, would be significant.

#### 5. Observations and Conclusion

The basic principle of the quality stabilization resolution appears to be that certain desirable national objectives will be maintained by providing specific private rights against three types of activities asserted to be detrimental to maintenance of a valuable property right in a brand name.

With respect to the protection against "bait merchandising practices," a prime difficulty is the lack of precision of the term. If flagrant "loss leader" selling is all that is encompassed by the term, the natural question would be whether the practice is sufficiently prevalent and serious to warrant Federal legislation, and whether the legislation would be effective in its apparent objectives to protect small retailers against the competition of discount or other operations which may sell all items at a low markup over cost. Substantively there is probably general agreement among most antitrust students that the flagrant type of loss leader selling should be actionable. But it is unclear whether the scope is to be interpreted as so limited.

With respect to misrepresentation, again a fundamental problem is that the scope of the prohibition should be sufficiently defined. Private enforcement to supplement Federal Trade Commission authority against flagrant types of misrepresentation directly injuring a producer or brand owner, such as undisclosed substitution of goods, might well be useful. But without precise delineation of the scope of the term, problems of vagueness and provocation of trivial litigation<sup>7</sup> similar to those presented by Section

5 of the Federal Trade Commission Act could be expected.

With respect to resale price maintenance, the proposed legislation differs in language considerably from existing Federal and State fair trade statutes; however, the fundamental approach seems to be the same—to permit a brand owner to control prices at which resellers may sell branded goods. Since at least 1912 the subject of resale price maintenance legislation has been highly controversial; during this 50-year period retailing and distribution have adapted to a series of drastic innovations. While the fundamental question of the desirability of such legislation may be an economic issue,<sup>8</sup> any such legislation would have important legal ramifications as well. The belief that a general resale price maintenance system goes beyond the requirements for protection against practices such as loss leader selling and the basic antitrust reliance upon price and other competition, with exemptions enacted only in compelling circumstances, have been strong factors in the opposition to extension of Federal resale price maintenance legislation beyond the enabling principle of the Miller-Tydings and McGuire Acts. In fact, a majority of the Attorney General's National Committee to study the antitrust laws in 1955 recommended congressional repeal of the Miller-Tydings and McGuire Acts. The Department of Justice and Federal Trade Commission have consistently opposed fair trade legislation, and recently specifically opposed the quality stabilization proposals.

Apart from the problems of the judicial administration which may be posed by transferring to the Federal courts the burden of policing resale price maintenance through litigation brought without regard to the amount in controversy, the creation of a Federal cause of action for the enforcement of resale price maintenance would appear to represent one more step in the intrusion of Federal legislative power into the area of control of the public policy of the several States. As noted above, in 24 States as well as the District of Columbia and Puerto Rico, resale price maintenance is incompatible with the State's legislative or judicially construed constitutional policy. Under the provisions of Senate Joint Resolution 159, the right to legislate under the McGuire Act with respect to this significant area of economic policy in the interest of its own citizens is denied the several States by the assertion of a paramount Federal policy in the exercise of the constitutional power over interstate commerce.

There can be no doubt that many small independent businesses are faced with effective "price cutting" competition by discount houses and others which may cause them significant loss of trade. Assuming that maintenance of the traditional independent business part of the retailing and distribution structure is an important national objective, alternative methods of alleviating the situation should be considered. Examples would include Federal legislation designed to prohibit retail selling, of at least specified categories of goods, at prices below defined cost, or additional financial assistance by the Government to small business; such measures might suffice to alleviate the situation depicted. But it would seem that to date the strong factual justification required to overcome traditional reluctance of Congress and the enforcement agencies to endorse Fed-

eral resale price maintenance legislation has not been shown.

A copy of Senate Joint Resolution 159 is attached as an appendix.

Respectfully submitted,  
S. CHESTERFIELD OPPENHEIM,  
Chairman.

(Paul Rand Dixon and Lee Loewinger did not participate in the consideration or voting on this matter.)

#### APPENDIX

[87th Cong., 2d sess.]

#### SENATE JOINT RESOLUTION 159

In the Senate of the United States, February 21, 1962, Mr. HUMPHREY (for himself, Mr. CAPEHART, Mr. PROXMIER, Mr. JOHNSTON, Mr. MCCLELLAN, Mr. SCOTT, Mr. RANDOLPH, Mr. MCCARTHY, Mr. MUNDT, and Mr. CASE of South Dakota) introduced the following joint resolution; which was read twice and referred to the Committee on Commerce:

Joint resolution to amend the Federal Trade Commission Act, to promote quality and price stabilization, to define and restrain certain unfair methods of distribution and to confirm, define, and equalize the rights of producers and resellers in the distribution of goods identified by distinguishing brands, names, or trademarks, and for other purposes.

Whereas it is recognized that, in the chain of distribution of products so identified, there may be encountered resellers having predatory interests and committing, in the resale of such products, unfair, or deceptive acts or practices (such as, but not limited to store-traffic baiting, and misrepresentation as to the size, capacity, quality, condition, model, or age of the goods), all tending to destroy unfairly the value to its owner, to smaller resellers, and to the public, of the brand, name, or trademark, and tending to disable and destroy competition, thus to create monopoly of retail distribution, contrary to public interest; and

Whereas the above-recited deceptive acts and practices and unfair methods of competition tend to diminish the volume of such identified products moving in commerce by adversely affecting the demand for such goods, thereby impairing the producer's ability, and reducing his incentive, to maintain and increase, with relation to price, the value of such goods to the public, or to maintain and increase opportunities for employment, or pay rates for labor, in his factory; and

Whereas substitutions of inferior labor and materials forced by the downward spiral of unrestrained predatory pricing on popular identified products, in the fields of foods, drugs, and beverages, endanger public health, and in other fields, endangers public safety; and

Whereas it is recognized that unless fair competitive practices can be maintained in all appropriate stages in the distribution of such identified products, the marketing of such identified products is depressed and the quality thereof tends to deteriorate; and

Whereas the distinguishing brand, name, or trademark of a product, and trade and public goodwill associated therewith, constitute property, the rights to which are entitled to protection by the owner thereof despite transfer of the product itself; and

Whereas in order to remove the above-recited obstructions to commerce, and to remove the quality-deteriorating and value-diluting pressures resulting therefrom, in the manufacture and resale of products bearing distinguishing brands, names, or trademarks, it is found and declared that it is in the public interest to define, confirm, and implement said property rights: Therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this act may be cited as the "Quality Stabilization Act."

<sup>6</sup> Alaska, Missouri, Nebraska, Texas, Vermont, and the District of Columbia do not have fair trade laws. Puerto Rico's fair trade law was repealed in 1959. The laws of at least 19 States have been held in part or generally unconstitutional at some time. See chart 2 Tr. Reg. Rep. par. 6041.

<sup>7</sup> See dissenting opinions of Commissioner Elman in matter of Gimbel Bros., 3 CCH Tr. Reg. Rep. par. 15,748 (1962); and Judge Friendly in *Exposition Press, Inc. v. F.T.C.*, 295 F.2d 869 (2d Cir. 1961).

<sup>8</sup> "Whether a producer of goods should be permitted to fix by contract, express or implied, the price at which the purchaser may resell them, and if so, under what conditions, is an economic question. To decide it wisely it is necessary to consider the relevant facts, industrial and commercial, rather than established legal principles." Brandeis, J., concurring in *Boston Store of Chicago v. American Graphophone Co.*, 246 U.S. 8 (1918).



(b) Section 5(a) of the Federal Trade Commission Act, as amended, is hereby amended by adding, at the end thereof, paragraphs (7) to (14), inclusive, as follows:

"(7) The owner of a brand, name, or trademark shall be deemed to retain his property rights therein, and in the trade and public goodwill symbolized thereby, regardless of any sale or transfer of the goods to which such brand, name, or trademark relates, and no such sale or transfer shall be deemed to diminish or extinguish any such rights. Any person who resells in commerce goods identified by a distinguishing brand, name, or trademark, either on the label, container, dispenser thereof, or otherwise, may rightfully employ such brand, name, or trademark, but only in effecting the resale of such goods, and subject to the provisions of paragraph (8) hereof.

"(8) When goods usable for the same general purpose are available to the public from sources other than the owner of such brand, name, or trademark, the right of any person to employ such brand, name, or trademark in effecting resale of goods so identified may be revoked by the owner of such brand, name, or trademark, on written notice, for any of the following reasons:

"(a) that the person reselling such goods has employed goods bearing the brand, name, or trademark in furtherance of bait merchandising practices;

"(b) that the person reselling such goods, with knowledge of the owner's currently established resale price or prices, has advertised, offered for sale, or sold such goods at prices other than such currently established resale prices; or

"(c) that the person reselling such goods, with intent to deceive purchasers, has published misrepresentation concerning such goods.

"(9) Nothing herein shall be interpreted to abridge the right of a person, in the regular course of his business and within a reasonable time after the date of any revoca-

tion pursuant to paragraph (8) of this subsection, to sell all such goods of which on such date he is possessed: *Provided*, That in such sale he shall commit none of the acts described in paragraph (8) of this subsection: *Provided, however*, That if and in the event that such person, promptly upon such revocation, shall have supplied to the owner of said brand, name, or trademark a correct itemized listing of said inventory with a statement of the price paid per item and the total price paid therefor, together with a firm offer to sell and deliver all said inventory to said owner at any time within ten days thereafter upon payment of said total price, then such person, upon expiration of the ten-day term of said offer without acceptance, may so sell such goods in said inventory, in the regular course of his business and within a reasonable time thereafter, without restriction as to price, in which event each advertisement of, or offer to sell, such goods, shall state plainly that the right of the reseller, offering such goods, to employ in any way the brand, name, or trademark carried by the goods has been revoked as to any such goods not in that reseller's possession at the time of such revocation.

"(10) Any person whose right to employ a brand, name, or trademark has been revoked by the owner thereof pursuant to the provisions of paragraphs (8) and (9) of this subsection and who thereafter, without the express written consent of said owner, first had, resells such goods so identified, or who otherwise employs such brand, name, or trademark in effecting resale of such goods or any other goods, shall be deemed to have committed an act of unfair competition and shall be liable in a civil action for damages and injunctive relief by the owner of the brand, name, or trademark, to prevent and restrain further violations of this Act. Such owner may sue in any district court of the United States in the district in which defendant resides or is found or has an agent, without respect to the

amount in controversy, and may recover the cost of suit including reasonable attorneys' fees.

"(11) In any proceeding under paragraph (10) it shall be a defense to the charge of unfair competition for the defendant to establish that the plaintiff has not used due diligence in revoking the right of all other persons in substantial competition with the defendant who are known to plaintiff to be committing any of the acts set forth in subparagraphs (a), (b), and (c) of paragraph (8) hereof.

"(12) No action pursuant hereto shall preclude action otherwise provided by law for wrongful use of a brand, name, or trademark.

"(13) Paragraphs (7) to (12) hereof shall apply to all acts and transactions in or affecting commerce which Congress may lawfully regulate, and to all acts and transactions in any territory of the United States or in the District of Columbia. As used in paragraphs (7) to (12) hereof, the term 'person' means any individual, partnership, or corporation.

"(14) No exercise of any right or remedy provided in paragraphs (7) to (13) inclusive of this subsection shall be construed to be a violation of any of the Antitrust Acts, and all such rights and remedies shall be also available to any owner of a brand, name, or trademark who, in the resale of goods identified by such brand, name, or trademark, shall compete, at any level of distribution, with any reseller offering such goods: *Provided*, That such owner shall sell such identified goods at any level of distribution at the price established for that level of distribution: *And provided further*, That nothing in this Act shall be deemed to modify or repeal the Lanham Trademark Act, Public Law 489, approved July 5, 1946; the Miller-Tydings Act, Public Law 314, approved August 17, 1937; the McGuire Fair Trade Act, Public Law 342, approved July 14, 1952, or any State law described therein."

## SENATE

MONDAY, MAY 27, 1963

The Senate met at 12 o'clock meridian, and was called to order by the President pro tempore.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O God, our help and our hope, guardian of these pilgrim days, the hurrying pace of our fleeting years frightens and awes us. Strained and tense with the pressures of our burdened lives, we seek the shelter and strength that undergird us as around our restlessness flows Thy rest, in the fulfillment of the promise that Thou wilt keep in perfect peace the mind that is stayed on Thee.

As for this moment of quiet we look away from ourselves and our tasks to Thee, Thou judge of all men, strip us, we beseech Thee, of our disabling illusions, and chasten us for our willful blindness. As the titanic global battle for men's minds rages, may we be strong and of good courage and enabled by Thy grace not only to defend the truth that alone can make all men free, but to live it, as well.

In the performance of this day's duties may we ascend the hill of the Lord with

pure hearts and clean hands. Even as sometimes we may question the judgment of comrades by our side, save us from impugning without cause their sincerity and integrity.

We ask it in the Name of the Holy One who warns us: *Judge not, that ye be not judged.* Amen.

## THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, May 23, 1963, was dispensed with.

## ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on May 24, 1963, he presented to the President of the United States the enrolled bill (S. 386) to consolidate Vicksburg National Military Park and to provide for certain adjustments necessitated by the installation of a park tour road, and for other purposes.

## MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

REORGANIZATION PLAN NO. 1 OF 1963, RELATING TO THE FRANKLIN D. ROOSEVELT LIBRARY—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 117)

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which, with the accompanying paper, was referred to the Committee on Government Operations:

*To the Congress of the United States:*

I transmit herewith Reorganization Plan No. 1 of 1963, prepared in accordance with the Reorganization Act of 1949, as amended, and providing for the reorganization of certain functions relating to the Franklin D. Roosevelt Library.

The library project was built under authority of the joint resolution of July 18, 1939. It is located on a site in the town of Hyde Park, Dutchess County, N.Y., donated by the late Franklin D. Roosevelt. The library contains historical material donated by him, and other related historical material.

At the present time responsibility for the library is divided as follows:

(1) The Secretary of the Interior is responsible for the care, maintenance, and protection of the buildings and